

# *The Index of Global Philanthropy and Remittances* 2012



HUDSON INSTITUTE  
CENTER FOR GLOBAL PROSPERITY

The Center for Global Prosperity (CGP) provides a platform — through conferences, discussions, publications, and media appearances — to create awareness among U.S. and international opinion leaders, as well as the general public, about the central role of the private sector, both for-profit and not-for-profit, in the creation of economic growth and prosperity in any country.

The Center's core product is the annual *Index of Global Philanthropy and Remittances*, which details the sources and magnitude of private giving to the developing world. The *Index* reframes the discussion about the roles of public and private sectors in foreign aid by showing that the full scale of a country's generosity is measured not just by government aid, but by private giving as well.

The Center supports free societies, including capital markets, rule of law, government transparency, free trade and press, human rights, and private property — prerequisites for economic health and well-being.

Hudson Institute is a nonpartisan policy research organization dedicated to innovative research and analysis, forging ideas that promote security, prosperity, and freedom.



*The* CENTER *for*  
GLOBAL  
PROSPERITY

HUDSON  
INSTITUTE

# Index of Global Philanthropy and Remittances 2012

3	<b>Director's Welcome</b>
4	<b>Global Philanthropy</b>
6	Trends in Total Government Aid to Developing Countries
8	U.S. Government Aid to Developing Countries
8	U.S. Total Economic Engagement with Developing Countries
11	U.S. Philanthropy to Developing Countries
12	International Philanthropy Outside the United States
14	All Donors' Total Assistance to Developing Countries
18	<b>Global Remittances</b>
19	Remittances from All Countries to Developing Countries
19	Remittances from Donor Countries to Developing Countries
22	<b>Success Stories</b>
28	<b>Methodology</b>
33	<b>Acknowledgements</b>
34	<b>Center for Global Prosperity Staff and Photo Credits</b>



**HUDSON INSTITUTE  
CENTER FOR GLOBAL PROSPERITY**

**PARTNERS & SUPPORTERS**

Achelis and Bodman Foundation  
Bristol-Myers Squibb Foundation  
Baylor University, Institute for Studies of Religion  
Centre D'Etude et de Recherche sur la Philanthropie  
Charities Aid Foundation  
Charles Sellen, Independent Researcher  
Chevron Foundation  
Committee Encouraging Corporate Philanthropy  
CSO Network Japan  
Foundation Center  
Foster & Lynn Friess  
GuideStar Data Services  
Istituto per la Ricerca Sociale  
Institute of International Education  
John Templeton Foundation  
Leonard & Tobee Kaplan, Toleo Foundation  
Merck & Co.  
Partnership for Quality Medical Donations  
Patrick M. Byrne, Chairman & CEO of Overstock.com  
Social & Economic Sciences Research Center, Washington State University  
Stein Brothers AB, Research Consultancy  
The Case Foundation  
The CHEAR Foundation  
The Lynde and Harry Bradley Foundation  
The Urban Institute Center on Nonprofits and Philanthropy  
Western Union Foundation  
Dr. Pamala Wiepking, Erasmus University, Rotterdam

**ADVISORY BOARD**

Dr. Peter Ackerman	Alain Madelin
Dr. George B.N. Ayittey	Dr. Allan H. Meltzer
Dr. Arthur Brooks	Dr. Susan Raymond
Ernest Darkoh, M.D.	Dr. Michael P. Ryan
Dr. William Easterly	Ruth Wedgwood, J.D.
Mary Jo Jacobi-Jephson	Rosa Whitaker
Mamadou Koulibaly	Amb. Richard Williamson
Dr. Deepak Lal	Amb. R. James Woolsey

*Publisher*  
HUDSON INSTITUTE

*Director*  
DR. CAROL ADELMAN

*Editor*  
PATRICIA MILLER

*Senior Fellow*  
JEREMIAH NORRIS

*Research Fellow*  
YULYA SPANTCHAK

*Project Manager*  
KACIE MARANO

*Interns*  
CHARLENE CHAN

ELIZABTEH ECKARD

LAURA ESPOSITO

MICHAEL FRENCH

PAUL GOTTLICH

XUANZI JIA

THOMAS VARGAS

ANNIE WANG



CENTER FOR  
GLOBAL PROSPERITY

HUDSON INSTITUTE  
1015 15th Street, NW  
Sixth Floor  
Washington, D.C. 20005

Phone: 202-974-2400  
Fax: 202-974-2410  
[www.global-prosperity.org](http://www.global-prosperity.org)

© 2012 Hudson Institute



## DIRECTOR'S WELCOME



This year's *Index of Global Philanthropy and Remittances* chronicles the continued growth of private financial flows to the developing world and how new forms of giving are poised to change the face of international philanthropy and global foreign aid as we know it today. Among the highlights of the Center for Global Prosperity's 7th annual *Index* are:

- Global philanthropy, remittances, and private capital investment totaled \$575 billion in 2010 (latest available data), accounting for 82% of the developed world's economic dealings with developing countries. While government aid grew to one of its highest levels at \$128 billion, it accounted for only 18% of total financial flows and continues to be a minority shareholder in the international development landscape.
- Private capital investment flows from all donors, on the heels of the economic recession, regained their position of prominence at \$329 billion, a substantial increase from \$228 billion in 2009.
- Total remittances from all Development Assistance Committee (DAC) donors to the developing world were \$190 billion, a 9% increase from \$174 billion in 2009, once again showing how this steady and stable financial flow is a lifeline to the poor in tough economic times.
- Total philanthropy, while underestimated because many DAC donor countries are still not properly measuring it, was \$56 billion in 2010, a gain of \$3 billion from the previous year.

American private flows to the developing world increased to \$39 billion in philanthropy, \$95.8 billion in remittances, and \$161 billion in private investment capital. Marking a major recovery for U.S. private capital flows, this important long-term development resource accounts for nearly 50% of the U.S. total economic engagement with the developing world. While government aid flows increased to a high of \$30.4 billion, they remain only 9% of the U.S. total economic engagement.

In the stories and trends covered in this year's *Index*, we draw attention to a paradigm shift in promoting economic growth and well-being abroad. Sophisticated technology, new financing mechanisms, and a generation of hands-on problem solvers are blurring the lines among philanthropy, remittances, investment, and profit/not-for-profit socially aware organizations. We hope readers will find our Glossary of Philanthropic Innovation useful in sorting out these new and varied

forms of giving abroad, including program related investments, socially responsible investing, pooled funds, impact investing, embedded philanthropy, social investing, and social stock exchanges.

Dr. Susan Raymond's piece on the arc of innovation points to new perspectives on philanthropy by a new generation of philanthropists: eschewing check-writing for social problems in favor of finding solutions to end the need; having loyalty to solving the problem not to the non-profit; and making little distinction between private portfolios and philanthropy as they co-mingle commercial investments with donated dollars to get the job done.

*Index 2012* success stories of Walmart and Hewlett Packard highlight the new "shared value" trend in corporate giving. These exciting new programs, creating value for the company and community, have tremendous potential for scaling up to tackle big social issues.

In addition, we cover a range of social businesses, including Western Union supported projects through matching grants to remittances, Mercy Corps' Kedai Balitaku or My Child's Café, Global Easy Water Products, A to Z Textile Mills, and Ecotact, all showing how social needs can be successfully met through profitable, sustainable business models empowering poor people. The *Index* highlights some successful traditional philanthropy as well, such as FEED Projects, Libras de Amor, and Pitch In For Baseball, projects achieving tangible results for people in need throughout the world.

The Center for Global Prosperity is pleased to report that our data on private giving are being used by policymakers and institutions throughout the world. Over the last year we have presented our research to global scholars, development practitioners, and government officials in Tokyo, Munich, Bellagio, and Oxford, as well as numerous U.S. venues. We are proud to report that Japanese researchers have replicated our methodology on private giving and have found a total of \$3.31 billion in private Japanese giving to the developing world compared to previous estimates of only \$560 million.

We thank our readers and supporters for your continued interest and involvement in this important endeavor. Most importantly, we thank the amazing philanthropists, social entrepreneurs, corporations, religious organizations, foundations, colleges, universities, and non-profits working hand-in-hand with gifted local partners in the developing world. By publicizing the size and achievements of this private giving and investment, we hope we can continue to help these endeavors grow and improve.

-DR. CAROL C. ADELMAN  
Director, Center for Global Prosperity  
Hudson Institute

# GLOBAL PHILANTHROPY

A woman is able to feed her child thanks to proceeds from FEED bags produced in country and sold abroad.



A new philosophy has taken hold in the world of international development and is succeeding in rewriting the rules of the game about how to achieve sustainable reductions in poverty. Key to this philosophy is robust financial flows of all types —

## U.S. generosity to the developing world continued unabated, even in difficult financial times.

private capital, philanthropy and remittances—to the developing world. These flows have proven to be sustainable even in the face of global recession. In 2010, private capital investment, philanthropy and remittances from the Organisation for Economic Co-operation and Development's 23 Development Assistance Committee (DAC) members to countries in the developing world amounted to \$575 billion, up from \$455 billion in 2009. These combined flows of private capital, philanthropy and remittances were over four times larger than official flows in 2010. Over 80% of all DAC donors' total economic engagement with the developing world is through private financial flows. Private capital flows remained the largest financial flow from all developed to developing countries and showed positive growth in 2010, reaching \$329 billion, which was a substantial increase from \$228 billion in 2009. Total remittances from all DAC donors to the developing world were \$190 billion, a 9% increase from \$174 billion in 2009. Total philanthropy from all donors was \$56 billion in 2010, up from \$53 billion in 2009.

At the same time, U.S. generosity to the developing world continued unabated, even in difficult financial times. Overall, financial flows to the developing world from the United States increased notably in 2010 to \$326.4 billion from \$226.2 billion in 2009, largely due to a sustained recovery in private financial flows, which briefly went into negative territory in 2008 on the heels of the global recession. Philanthropy from the United States to developing countries increased slightly despite the lingering recession, totaling \$39 billion in 2010 compared to \$37.5 billion in 2009. This tracks with data from *Giving USA*, which reported an increase of 3.8% in overall U.S. giving and a 15.3% increase in giving to international causes, which suggests that Americans are being particularly generous to overseas causes in a time of economic hardship for many countries. Remittances from the United States, which are particularly important to families in the developing world in tough times, also increased in 2010 to an estimated \$95.8 billion from \$90.5 billion in 2009. Private capital flows from the United States to developing countries increased robustly in 2010, amounting to \$161.2 billion versus \$69.2 billion in 2009. This marks a major recovery for private capital flows. Today this private investment accounts for nearly 50% of U.S. total economic engagement with developing countries.

In fact, recent data suggest that long-lasting structural changes in economic engagement with the developing world are making inroads against poverty in ways that surprised even the experts. New figures from

the World Bank found a broad reduction in poverty around the world and confirmed that contrary to predictions by the World Bank itself, the global recession did not increase poverty in developing countries. The proportion of individuals in extreme poverty (living on less than \$1.25 per day) fell in every developing region between 2005 and 2008, and according to preliminary data from 2010, has not climbed since. The percentage of individuals living in extreme poverty declined from 52% in 1981 to 22% in 2008. According to the World Bank, this means that the Millennium Development Goal of cutting extreme poverty in half by 2015 has already been met.<sup>1</sup>

The report credits strong economic growth in the emerging markets of India, Brazil and China, and a spill-over effect into economies in Africa and South America, for the decline. Investment in emerging markets as growth stagnated in western economies and high export commodity prices have also helped blunt the effects of the recession in developing countries.<sup>2</sup>

The Center for Global Prosperity's long-standing philosophy of assistance and development, which relies on the development of robust, transparent markets augmented by a healthy civil society and demand-driven aid that creates local capacity and institutions, has been adopted in government policies and projects, as well as in media and academia, including schools of philanthropy, international development, and foreign affairs. Multilateral and bilateral agencies are increasingly recognizing the impact of philanthropy and remittances and the value of including civil society in aid discussions. This is evident in recent World Bank publications and meetings on the Paris Declaration of Aid Effectiveness. Governments are also increasingly expressing interest in better measures of their philanthropy. The CGP has met with representatives from the Japanese Government to discuss how we measured our numbers and the Japanese Government has expressed interest in doing this. Additionally, in collaboration with the CGP, Japanese civil society and academic groups embarked on measuring private giving to development causes for their country. The preliminary findings, included in this year's *Index*, were received with great interest by the Japanese Ministry of Foreign Affairs.

World Bank President Robert Zoellick has argued that the time has come to move "beyond aid" to a system in which "assistance would be integrated with—



and connected to—global growth strategies, fundamentally driven by private investment and entrepreneurship” (see Box p. 7). Examples of pioneering efforts in this direction include the new “shared value” concept (see p. 26) that is remaking corporate philanthropy, cutting edge social businesses like Mercy Corps’ Kedai Balitaku food carts (see p. 24), and innovative public-private partnerships like the Pink Ribbon Red Ribbon campaign. This program is a public-private partnership between the George W. Bush Institute, U.S. Department of State, the Bush Institute, UNAIDS, Merck, Bristol-Myers Squibb, GlaxoSmithKline, and Becton Dickinson, QIAGEN, the Caris Foundation, IBM and Susan G. Komen for the Cure. It will utilize the platform developed by PEPFAR to extend breast and cervical cancer preven-

tion, screening and treatment services in sub-Saharan Africa and Latin America. In September, Secretary of State Hillary Clinton announced an additional \$10 million U.S. commitment to the program, which will bring the total PEPFAR investment to \$30 million over five years.

As Secretary Clinton noted at the Fourth High Level Forum on AID Effectiveness: “It’s imperative to recognize a fact that is important in all of our deliberations. Official development assistance from governments and multilateral organizations is no longer the primary driver of economic growth. In the 1960s, such assistance represented 70 percent of the capital flows going into developing countries. But today, because of private sector growth and increased trade, domestic resources, re-

mittances, and capital flows, it is just 13 percent—even as development budgets have continued to increase.”<sup>3</sup> This year’s *Index* highlights the many ways that the international development paradigm is moving “beyond aid” and into new, more sustainable, more effective territory.

### TRENDS IN TOTAL GOVERNMENT AID TO DEVELOPING COUNTRIES

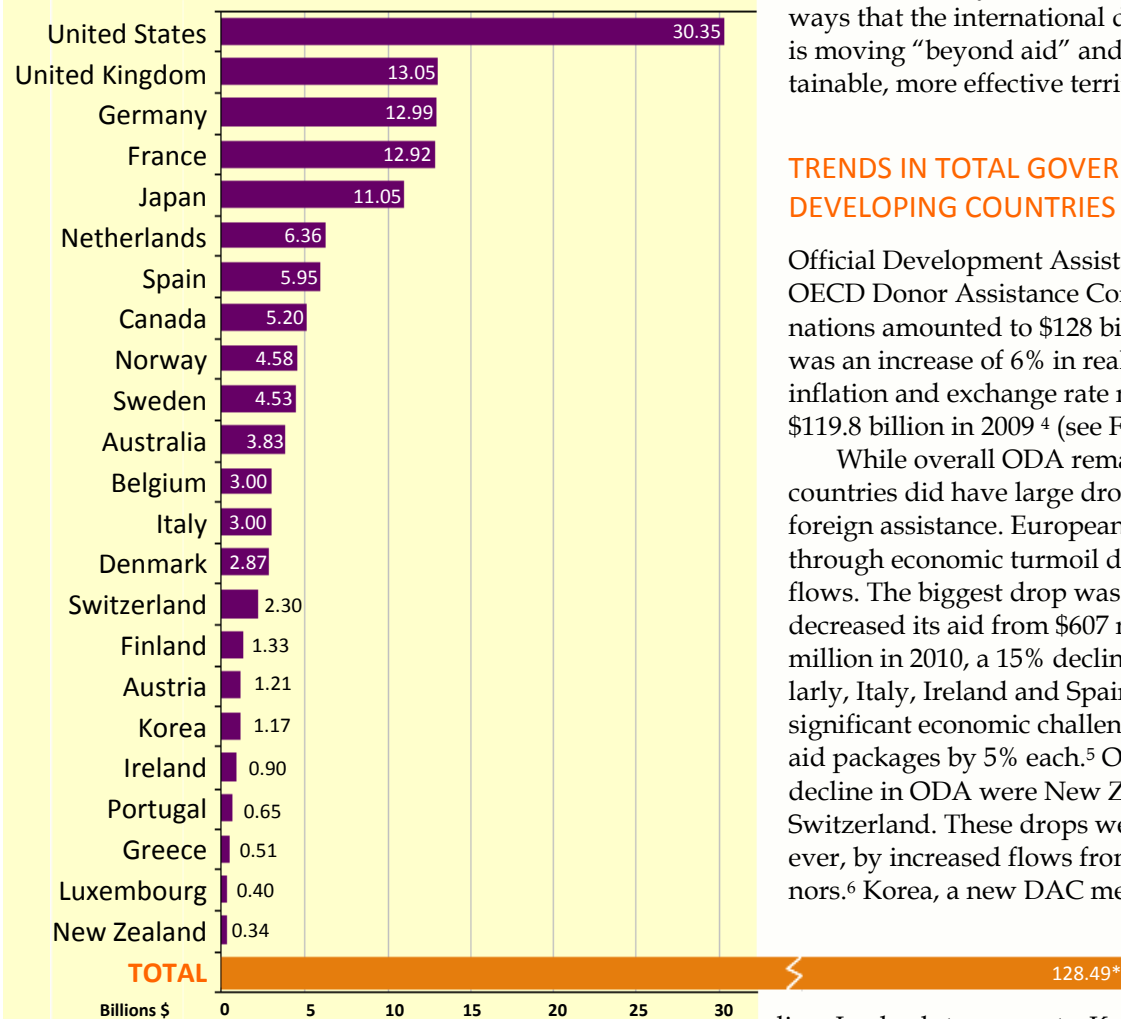
Official Development Assistance (ODA) from all OECD Donor Assistance Committee (DAC) donor nations amounted to \$128 billion in 2010, which was an increase of 6% in real terms (accounting for inflation and exchange rate movements) from \$119.8 billion in 2009<sup>4</sup> (see Figure 1).

While overall ODA remained steady, some countries did have large drops in their government foreign assistance. European countries going through economic turmoil decreased their aid flows. The biggest drop was seen in Greece, which decreased its aid from \$607 million in 2009 to \$508 million in 2010, a 15% decline in real terms. Similarly, Italy, Ireland and Spain, which also faced significant economic challenges, decreased their aid packages by 5% each.<sup>5</sup> Other nations showing a decline in ODA were New Zealand, Sweden, and Switzerland. These drops were balanced out, however, by increased flows from 16 other DAC donors.<sup>6</sup> Korea, a new DAC member, increased its aid

by 26% in real terms, from \$816 million to \$1.2 bil-

lion. In absolute amounts, Korea is now sixth from the bottom by size of flows out of the 23 DAC do-

Figure 1  
Net ODA in Billions of \$, 2010



\*Variation due to rounding  
Source: OECD, *Statistical Annex for Development Co-operation Report 2012*.



nors. Australia, Belgium, Canada, Germany, Japan, Portugal and the United Kingdom also significantly increased their flows by more than 10% each. While these nations showed large hikes in percentage points, Australia, Canada, Japan, the United States, and the United Kingdom saw the largest increases in absolute amounts, with spikes of over a billion dollars each, together amounting to a \$7 billion increase from 2009.<sup>7</sup>

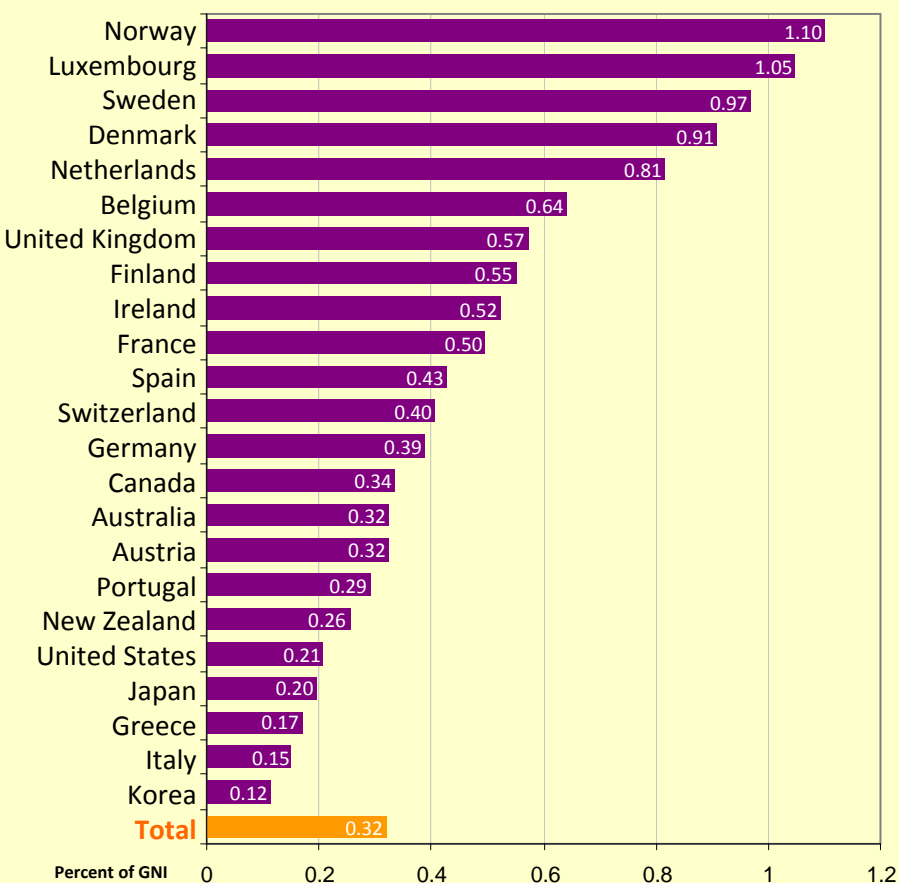
As in 2009 and in previous decades, only five countries reached the 0.7% of GNI United Nations ODA target (see Figure 2). These countries, Denmark, Luxembourg, Netherlands, Norway, and Sweden, are the same five that reached this target in 2009. Their ODA amounted to \$18.7 billion, or 15% of total DAC assistance. As in previous years, however, the United States remains the largest donor by volume, with \$30.4 billion in ODA in 2010. The United Kingdom, Germany, France, and Japan follow and with the United States, remain the top five contributors of ODA by volume in 2010. Total ODA for these five nations amounted to \$80.4 billion in 2010, or 63% of total DAC assistance.<sup>8</sup>

Sub-Saharan Africa received the largest portion of total aid at \$43.8 billion, followed by Asia with \$36.7 billion. The regional distribution of aid remained similar to the previous year.<sup>9</sup> Afghanistan remains the largest country recipient of aid at \$6.4 billion.<sup>10</sup> With continuing

support for earthquake recovery, aid to Haiti nearly tripled in size, increasing from \$1.1 billion in 2009 to \$3.1 billion in 2010.<sup>11</sup> Overall ODA to least developed countries increased from \$40.3 billion in 2009 to \$44.7 billion in 2010.

Figure 2

### Net ODA as a Percentage of GNI, 2010



Source: OECD, *Statistical Annex for Development Co-operation Report 2012*.

## Beyond Aid: Modernizing Foreign Assistance and Multilateralism

Foreign assistance has been reinvented over the last decade, as private philanthropy and public-private partnerships have taken on an ever more important and larger role in the delivery of assistance. In 2010, 82% of the developed world's total economic engagement with the developing world was through private financial flows, including invest-

ment, philanthropy, and remittances. The attributes fostered by private giving—timeliness, transparency, grassroots involvement, and evaluation—are being embraced by the international development community.

In a speech on September 14, 2011 at George Washington University, World Bank President Robert Zoellick argued

that the time has come to move “beyond aid” to a system in which “assistance would be integrated with—and connected to—global growth strategies, fundamentally driven by private investment and entrepreneurship.” He said that multilateralism must be modernized and aid democratized to include the strengths of the developing world in a paradigm that

emphasizes “building more poles of growth” rather than charity. He echoed the CGP’s long-standing call for building local economies from the ground up, increasing transparency and good governance, and encouraging entrepreneurship and innovation to create expanded markets and open trade that benefits all countries. He also acknowledged that private financial flows now dwarf official

development assistance and “new players and new donors are already transforming the aid world as we know it.”

This new multilateral system, he said, must be rooted in “a notion of stakeholder responsibility, more connected to private sector and civil society networks, more committed to practical problem-solving and innovation.” He also said that development institutions like the World

Bank must “do a better job at demonstrating the effectiveness of aid, showing value for money and pointing to results,” transforming themselves into investors and intermediaries to build markets, institutions and capacity. Together, said Zoellick, these steps will “unleash a world beyond aid, a world that highlights prosperity not palliative; potential not patronage; dignity not dependency.”

## U.S. GOVERNMENT AID TO DEVELOPING COUNTRIES

As seen in Figure 1, total U.S. ODA was \$30.4 billion in 2010, a 4.2% increase in real terms from 2009.<sup>12</sup> The United States remains the highest net donor of aid in absolute dollar amounts, providing more than twice the amount of the next highest donor, the United Kingdom. As a percentage of GNI, as seen in Figure 2, U.S. aid amounts to 0.21%, making the United States fifth from

the bottom following Korea, Italy, Greece, and Japan.

U.S. ODA increased to all regions and least developed countries received the largest portion, amounting to \$10.8 billion, or 36% of the total.<sup>13</sup> Regionally, the largest percentage of U.S. aid went to sub-Saharan Africa, with 40%, followed by South and Central Asia with 24%, the Middle East and North Africa with 16%, Latin America and the Caribbean with 11%, Europe with 3%, and Oceania and other Asia with 6%.<sup>14</sup>

Table 1

### U.S. Total Net Economic Engagement with Developing Countries, 2010

	Billions of \$	%
U.S. Official Development Assistance	\$30.4	9%
U.S. Private Philanthropy	\$39.0	12%
Foundations	\$4.6	12%
Corporations	\$7.6	19%
Private and Voluntary Organizations	\$14.0	36%
Volunteerism	\$3.7	9%
Universities and Colleges	\$1.9	5%
Religious Organizations*	\$7.2	18%
U.S. Remittances	\$95.8	29%
U.S. Private Capital Flows	\$161.2	49%
<b>U.S. Total Economic Engagement</b>	<b>\$326.4</b>	<b>100%*</b>

\*Data from last available year: 2009; \*Variation due to rounding  
Sources: OECD; Hudson Institute’s remittances calculations from DAC donors to DAC recipients based on data from the World Bank’s Migration and Remittance Team’s *Bilateral Remittance Matrix*, 2010; Hudson Institute, 2012.

## U.S. TOTAL ECONOMIC ENGAGEMENT WITH DEVELOPING COUNTRIES

As the *Index of Global Philanthropy and Remittances* has demonstrated, government aid is no longer the only player in global poverty reduction, and ODA is no longer the sole measurement of countries’ generosity. U.S. private philanthropy, remittances from migrants living in the United States to their home countries, and private capital flows each exceed U.S. ODA. The more complete way of measuring donor involvement with the developing world is to look at a country’s total economic engagement—including official aid, philanthropy, remittances, and private capital flows. Table 1 provides this more complete picture of American investment and generosity to the developing world.

At the tail-end of the recession in 2010, philanthropy from the United States to developing countries increased steadily, totaling \$39 billion compared to \$37.5 billion in 2009. U.S. philanthropy consists of contributions from foundations, corporations, private and voluntary organizations (PVOs), individual volunteers, religious organizations, and universities and colleges. In 2010 U.S. philanthropy to developing countries exceeded U.S. official government aid by almost \$9 billion. Corporations and PVOs accounted for

## Government aid is no longer the only player in global poverty reduction.

the largest portion of U.S. philanthropy, making up more than half the total. The PVO figure, which most closely reflects contributions from individuals, increased by \$2 billion or 17% from the 2009 value. This increase is closely in line with figures from *Giving USA*, which measured a 15% increase in international giving. The corporate figure, which is dominated by in-kind pharmaceutical donations, saw a slight decline in 2010. While contributions to disaster relief from the corporate sector increased, donations to general health and medical services decreased, accounting for the overall decrease in the corporate number.

Remittances from individuals, families, and hometown associations in the United States to developing countries reached an estimated \$95.8 billion in 2010, an increase from \$90.5 billion in 2009. With the economic recovery picking up steam, remittances are back on the rise and are now more than three times larger than official U.S. aid, making up nearly 30% of total U.S. financial flows to the developing world.

Private capital flows were among the hardest hit by the global recession. The *Index* reported a significant decline in U.S. private capital flows to developing countries in 2008 and a slight rebound in 2009 to \$69.2 billion. In 2010, private capital flows recorded a robust increase to \$161.2 billion, accounting for nearly 50% of U.S. total economic engagement with developing countries. The vast majority of private capital flows in 2010

consisted of U.S. bilateral portfolio investments, which rose to \$104.8 billion, and foreign direct investment from the United States to developing countries, which increased to \$51.0 billion.

Financial flows such as philanthropy and remittances must be accurately measured and included when assessing countries' economic engagement with the developing world. When only ODA from the United States is measured as a percentage of GNI, the United States comes in fifth from the bottom in the ranking of the 23 DAC donor countries, as shown in Figure 2. If, however, private philanthropy and remittances are added to the equation, the United States ranks twelfth out of the 23 donor countries. U.S. philanthropy far exceeds other donors' philanthropy to developing countries. It is also larger than other donors' ODA. In just one category of U.S. philanthropy, PVOs, American citizens through contributions of money and volunteer time gave \$17.7 billion to development causes abroad – which is more than any other DAC donor gave in ODA alone. Total U.S. philanthropy at \$39.0 billion represented nearly one third of all donors' ODA.

## The Paradigm Shift in Philanthropy: The Arc of Innovation

BY SUSAN RAYMOND, Ph.D., *Executive Vice president, Changing Our World; CGP board member*

Philanthropy is undergoing a paradigm shift that is rewriting the rules of what it is and what it should accomplish. Largely as a result of the involvement of a younger generation of philanthropists, what used to be meant by the terms “philanthropy” and “nonprofit,” as well as the distinctions made between these things and commercial operations and government funding, are disappearing. As a result, it is increasingly difficult to say what is philanthropy, what is a commercial transaction, and what is an investment.

Historically, philanthropy was about the transfer of money from individuals

with it to individuals without it in the form of a gift. The relationship between the giver and the receiver was asymmetrical; there was no expectation of shared responsibility or accountability. Young philanthropists today, however, have an entirely different perspective. They are not interested in writing checks for social problems, they are interested in investing their resources to create sustained solutions. Their interest is not in the nonprofit organization itself; it is in the solution to end the need. They are loyal to solutions not to institutions. Furthermore, their commitments extend far beyond gift-giving. They do not see a

difference between the way they look at their investment portfolios and the way they look at their philanthropy. It is all driven toward social advancement. A nonprofit investment, such as a grant for environmental advocacy, resides side-by-side with, and can even be intermingled with, commercial investments such as socially screened investments and their entrepreneurial initiatives in the markets such as social enterprises that focus on producing a product or service that also addresses social problems such as nutrition. Resource mobilization is a single entity, a unified strategy, that blends all manner of resources toward a common

end, with the premium being on innovation in the ways that resources are combined and arrayed to provide capital for solutions.

This shift expands philanthropy from a singular relationship between a donor and a recipient to a collaborative partnership that includes other donors and seeks scale, with information and accountability flowing both ways in the relationship and a focus on creating capacity and sustainability over the long term.

Today's young philanthropists also understand that the problems we face, as well as the technology-driven solutions available to address them, are extremely complex. It is going to take a long-term commitment of major resources, major skills and major leadership to make global change. The end goal of this new philanthropy is self-reliance and sustainability. Funders do not want to—indeed, will not—write the same check year after year.

What does this mean for international development? Thirty years ago the architecture of development resources was fairly simple. Multilateral and bilateral assistance provided the basic resource structure, and a touch of charity topped it off. Today, that architecture is much more complex and therefore powers much greater resource opportunity. To traditional government assistance and

private charity are added program-related investing, mission-related investing, impact investing, venture philanthropy, social investment, e-philanthropy sites such as Kiva and Global Giving, and various corporate social engagement mechanisms like corporate social responsibility programs, to name just a few of the new vehicles that are proliferating (see the Glossary of Philanthropic Innovation, p.11).

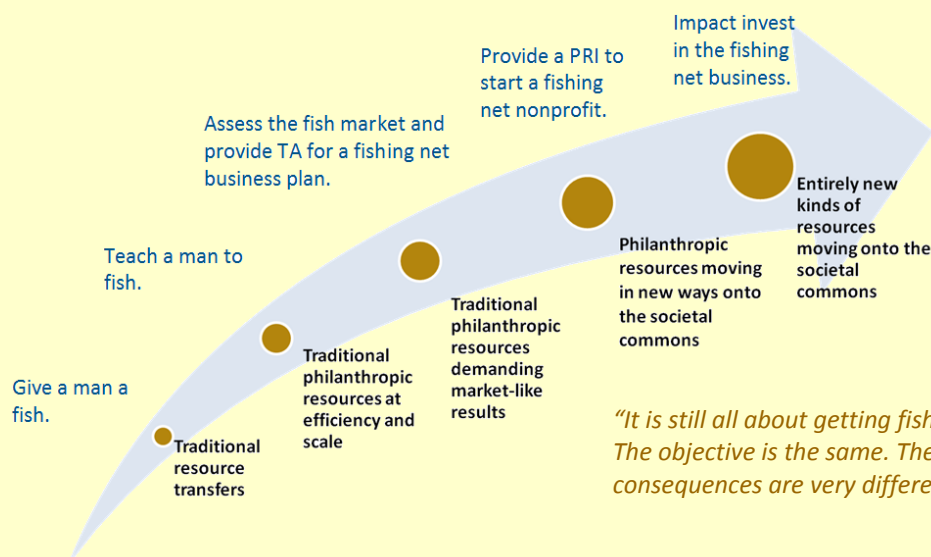
What are the resource implications of these new approaches? JP Morgan has predicted that impact investing has the potential to be a new asset class like equity and bonds. If that is true, we will have trillions of dollars moving to social problem solving. But these resources come with new and rigorous expectations. Those engaged in social finance are not looking for gratitude; they are looking for sustainable results.

What we have today is an Arc of Innovation, as seen below. From traditional charitable grants—which will continue to be a fundamental part of philanthropy—there evolved collaborative, multi-funder partnerships seeking efficiency and scale. These multi-funder efforts evolved into venture philanthropy, which demands market-like results. This signaled the evolution of philanthropy away from initiatives that wrapped money around a particular initiative toward systems that work and to new ways

to move money onto the societal commons, including program-related investing and embedded transfers. At the top of the innovation curve you have entirely new kinds of resources moving onto the societal commons: social stock exchanges, such as the one being opened in Indonesia, mission-related investing, and impact investing. These are commercial-grade investments, equity-like and bond-like flows that are whole new ways of thinking about how you move resources against social problems—moving capital rather than writing checks.

In effect we have gone from giving a man a fish, to teaching a man how to fish, to assessing the fish market and providing technical assistance for a fishing net business plan, to providing a program-related investment to start a fishing net business via microfinance, to making an impact investment in the fishing net business with a commercial-grade investment that accepts two points below the market because it is a social venture.

We are still working to feed the hungry but the methods and the consequences are very different from traditional philanthropy. They hold the promise of building the capital that actually can fuel private solutions and solve problems over the long run.





## U.S. PHILANTHROPY TO DEVELOPING COUNTRIES

In 2010, U.S. foundations, corporations, PVOs, individual volunteers, colleges and universities, and religious organizations contributed a total of \$39 billion to the developing world. This represents a \$1.5 billion increase from the 2009 figure of \$37.5 billion, which demonstrates that private philanthropic flows to the developing world continued to provide an important lifeline to the poor.

Independent, community, and grant making operating foundations in the United States gave a total of \$4.6 billion to developing countries in 2010, according to Foundation Center research conducted for the Center for Global Prosperity. This value has held steady since 2009. Health and medical services accounted for 53% of grant dollars, followed by economic growth and trade (including environmental grants) at 21%, democracy and governance at 15%, and education at 8%. Disaster relief and refugees accounted for less than 1% and all

## Glossary of Philanthropic Innovation

**Impact Investing and Mission-Related Investing:** occur when capital is invested in projects that seek to generate societal change and financial returns with the ultimate goal of creating an impact on a scale larger than what can be achieved by traditional philanthropy alone. Impact investing, like traditional investing, seeks a market return. For example, MicroVest Capital Funds invests in over 50 microfinance institutions in 25 countries that provide financial products to the world's poor.

**Program-Related Investments (PRIs):** are closely linked to charitable activities of an organization and are strictly defined by the IRS. These capital investments are made by foundations to support philanthropic activities that are closely aligned with the foundation's mission and that have the potential to return the capital within a certain timeframe. Commonly used vehicles include loans and loan guarantees, lines of credit, and equity investments. The Rockefeller, MacArthur, Ford, and the David and Lucille Packard foundations are among those that undertake PRIs.

**Socially Responsible Investing (SRI):** refers to standard investments that avoid companies which may negatively impact the environment or society as whole. These types of investments often have a screening component based on specific indicators of the fund. **Socially Screened Investments (SSI)** fall under this category. Such screening eliminates investments in companies producing undesirable products such as tobacco or pornography or in companies with poor human rights or environmental records. Financial service organizations such as TIAA-CREF, for example, provide SRI options that screen for environmental sustainability, labor standards, and product safety.

**Social Investment:** refers to any non-profit or for-profit organization that applies business strategies to advance the organization's social goals. Social investment directly impacts disadvantaged populations in accordance with the enterprise's mission. For instance, Husk Power Systems works in India to provide electricity by transforming unused rice husks or bio-waste into bio-fuel for mini-power plants that provide power to 150,000 people in rural India. Other social enterprises include Acumen, Kick-start, and Opportunity International.

**Pooled Funds:** giving vehicles in which multiple donors, either individual or institutional, contribute to a centralized fund that targets a specific mission. The \$100 million END fund to address neglected tropical diseases is a pooled, private philanthropy fund started in 2010 by the Legatum Foundation and Geneva Global.

**Embedded Philanthropy:** also called cause-related marketing, occurs when a charitable contribution is embedded in another financial transaction, such as the option to contribute to a charity when checking out at the grocery store. Examples include products from (PRODUCT) RED, TOMS shoes, Starbucks, MAC Cosmetics and UNICEF.

**Social Stock Exchange:** regulated investment marketplaces that allow investors to buy shares in social enterprises. The South African Investment Exchange connects donors with social enterprises and non-profits that deal with issues including treating HIV/AIDS patients and biological conservation.

## Americans contributed an estimated \$3.7 billion worth of volunteer time in 2010 to relief and development assistance

other areas were 3%. A total of 70% of all international grants awarded in 2010 by U.S. foundations were multi-regional grants or grants for unspecified countries. Of the remaining 30%, the single largest recipient of U.S. foundation money was sub-Saharan Africa at 12%, followed by Asia and the Pacific at 11%, Latin America and the Caribbean at 6%, Europe and Central Asia and North Africa and the Middle East were at less than one percent each.

U.S. corporations contributed \$7.6 billion to international relief and development causes in 2010. This is a \$1.3 billion decrease from the 2009 total of \$8.9 billion. This giving includes both cash grants and in-kind donations of pharmaceuticals and medical supplies and equipment. The majority of corporate giving is in-kind contributions from pharmaceutical companies, which account for over 90% of corporate giving to developing countries. Thus, the majority of corporate giving measured is in the health sector and in disaster relief. Regionally, 50% of corporate giving goes to Latin America and the Caribbean, 25% to sub-Saharan Africa, 4% to North Africa and the Middle East, 14% to Asia and the Pacific, and 7% to Europe and Central Asia.

Private and voluntary organizations contributed \$14 billion in private funding to the developing world in 2010, a \$2 billion increase from \$12.0 billion total in 2009. Of the total amount contributed by PVOs for international relief and development causes, 35% went to disaster relief and support for refugees, 28% to health and medical services, 17% to economic growth and trade, 9% to education, 1% to democracy and governance, and almost 11% went to unspecified international support. Regionally, 38% went to Latin America and the Caribbean, 29% to sub-Saharan Africa, 20% to Asia and the Pacific, 7% to Europe and Central Asia, and 6% to the Middle East and North Africa.

Americans contributed an estimated \$3.7 billion worth of volunteer time in 2010 to relief and development assistance causes abroad and to international assistance organizations in the United States. This represents a \$700 million increase from 2009, mainly due to an increase in the number of hours spent volunteering for international organizations in the United States.

Americans gave a total of \$1.9 billion in support to students from the developing world in the 2010-2011 academic year, a slight increase from the 2009-2010 total of \$1.8 billion. The United States also continues to welcome students from the developing world. The number of international students studying at universities and colleges in the United States increased by nearly 5% to 723,000 in the 2010-2011 school year. According to data

from *Open Doors*, 65% of international students in the 2009-2010 academic year came to the United States from developing countries. Of this group, 70% came from Asia and the Pacific, 14% from Latin America and the Caribbean, 7% from sub-Saharan Africa, 5% from Europe and Central Asia, and 4% from North Africa and the Middle East.

For the 2012 *Index*, CGP used 2009 figures from the 2011 *Index* survey on religious giving, the latest year for available data. Religious giving in the United States totaled \$7.2 billion in 2009, down \$1 billion from the 2008 total of \$8.2 billion. A decline in the 2009 reported value of long-term missions to developing countries and direct giving overseas accounted for the majority of the decrease in overall religious giving. In actuality, religious giving to PVOs increased slightly from \$6.2 billion to \$6.3 billion. This amount is not directly attributed to religious organizations for various reasons, including concerns of double counting and data comprehensiveness (see Methodology Section, p. 28). Of this amount, approximately 40% of religious donations went to Latin America and Caribbean, 24% to sub-Saharan Africa, 14% to Europe and Central Asia, 10% to East Asia and the Pacific, 7% to North Africa and the Middle East, and 6% went to unspecified regions. By sector, approximately 25% of religious giving went to education, 23% to disaster relief, 19% to health, 8% to economic development, and 25% to other unspecified activities.

## INTERNATIONAL PHILANTHROPY OUTSIDE THE UNITED STATES

Despite increased philanthropic activity in Europe and Asia, measuring non-U.S. private giving from developed countries continues to have its challenges. Although DAC member governments report their overseas private giving to the OECD on an annual basis, these figures are incomplete and in some cases nonexistent. The numbers that are reported are based largely on voluntary surveys of PVOs that do not capture all PVO donations. Nor do developed country donors fully report giving by corporations, foundations, religious organizations, and volunteer contributions.

The *Index of Global Philanthropy and Remittances* is able to provide a more comprehensive picture of private philanthropy from developed countries other than the

United States than what they currently are reporting. With its partners the CGP has researched improved private giving numbers for 14 developed countries in addition to the United States: Denmark, Finland, France, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The CGP is proud to note that Osaka University in Japan has launched its own research initiative for Japanese private giving to developing countries. Japanese researchers have consulted with the CGP to create a methodology similar to the one used by CGP in collecting U.S. numbers.

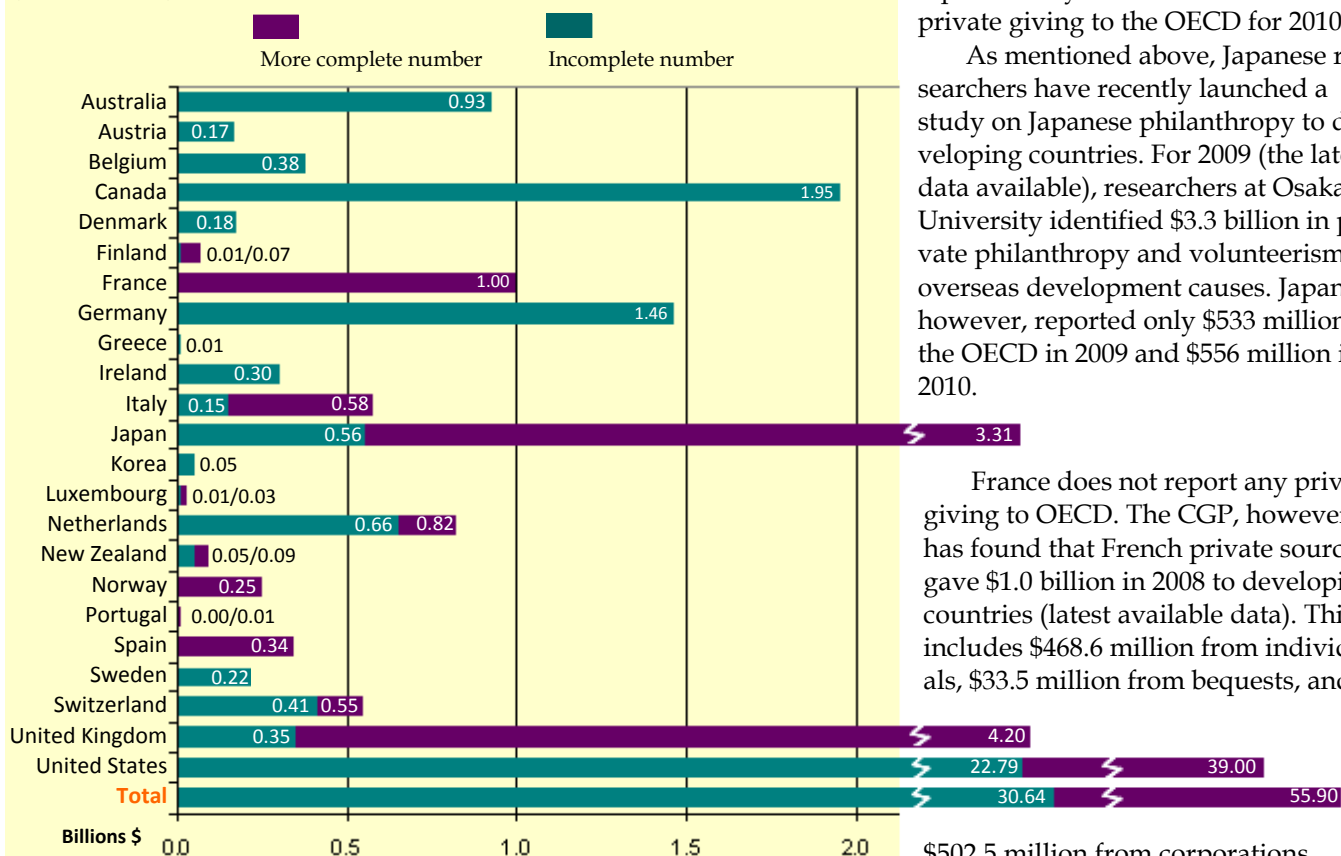
As illustrated in Figure 3, there is a wide discrepancy between the level of private giving that many DAC

donor nations report to the OECD and the more complete numbers compiled by the CGP. The 14 non-U.S. countries for which the CGP was able to compile more complete numbers reported total private giving of \$2.6 billion to the OECD in 2010, while we identified \$11.7 billion in giving for these same 14 countries in 2008-2010, the most recent years for which more complete CGP calculations are available. When combined with the other eight donors, CGP found that total non-U.S. private philanthropy amounted to \$16.9 billion in this period.

For instance, as seen in Figure 3, total U.K. private giving to the developing world through U.K. charities working in overseas aid and famine relief amounted to

Figure 3

**Incomplete Private Giving Numbers Submitted to OECD and More Complete Numbers from CGP, 2008-2010**  
(Billions of \$)



Source: OECD, *Statistical Annex for Development Co-operation Report 2012*, 2012; Stein Brothers, AB, Scandinavia 2010-2011; Charles Sellen, France, 2008-2009 and VU University Amsterdam Department of Philanthropy, Netherlands, 2009; Istituto per la Ricerca Sociale, Italy, 2009; Le Cercle de Coopération des OND de Développement, Luxembourg, 2011; Vrije Universiteit Amsterdam, Geven in Nederland 2011, Netherlands, 2011; Council on International Development, Annual Report, New Zealand, 2011; Plataforma Portuguesa das ONGD, Annual Report, Portugal, 2009; Coordinadora ONG Para El Desarrollo España, Informe de La Coordinadora de ONG Para El Desarrollo-España Sobre El Sector De Las ONGD, Spain, 2009; Charities Aid Foundation, United Kingdom, 2011; Center for Global Prosperity, United States, 2009-2012.

\$4.2 billion in 2010 (latest available data). This assessment of U.K. private giving excludes foundations, corporations and churches, so the actual total is higher. The U.K. Government, however, reported only \$352 million in overseas private giving to the OECD for 2010.

As mentioned above, Japanese researchers have recently launched a study on Japanese philanthropy to developing countries. For 2009 (the latest data available), researchers at Osaka University identified \$3.3 billion in private philanthropy and volunteerism to overseas development causes. Japan, however, reported only \$533 million to the OECD in 2009 and \$556 million in 2010.

France does not report any private giving to OECD. The CGP, however, has found that French private sources gave \$1.0 billion in 2008 to developing countries (latest available data). This includes \$468.6 million from individuals, \$33.5 million from bequests, and

\$502.5 million from corporations.

There was a total of \$583.1 million in Italian private giving to the developing world in 2008 (latest available data), substantially more than the \$150 million in official giving reported by the Italian

government to the OECD in 2010.

Spanish private giving totaled an estimated \$344.4 million to the developing world in 2008 (latest available data). This includes \$137.9 million in regular donations and fees; \$120.4 million in one-time donations; \$49.0 million from private enterprises; \$24.5 million from the sale of fair trade products and merchandising; and \$12.6 million from other private funds. Spain, like France and Norway, does not report any private giving to the OECD.

Portuguese PVOs received \$9.0 million in private contributions in 2007 (latest available data). The figure is conservative due to the lack of reporting by the majority of PVOs and foundations in Portugal and the lack of sources for corporate and religious giving. It is still significantly higher, however, than the \$5 million in private overseas giving reported by the Portuguese government to the OECD in 2010.

The CGP found an estimated \$29 million in private giving to the developing world from Luxembourg. The government of Luxembourg, however, reported \$8.8 million in private giving in 2010 to the OECD.

Dutch private giving to the developing world totaled \$823 million in 2009 (latest available data) and is comprised of \$408.6 million in cash and in-kind donations; \$73.4 million from bequests; \$77.7 million from foundations; \$110.8 million from corporate gifts and sponsorships; and \$152.5 million came from lotteries. The Dutch government reported only \$542 million in private giving for 2009 and \$657 million for 2010 to the OECD.

The Danish government reported \$178 million in private giving to the OECD in 2010. Through CGP's research, a similar value was found.

Finnish PVOs contributed \$68 million to the developing world in 2010, while corporate philanthropies contributed \$4 million, for a total of \$72 million in Finnish private giving to the developing world. Finland reported a total of only \$14 million in private giving to the OECD.

There was an estimated \$250.8 million in private giving from Norwegian PVOs to the developing world in 2010. Norwegian corporations are assumed to be included in that figure because they give through PVOs. As in previous years, Norway did not report any private giving to the OECD in 2010.

Swedish PVOs and foundations gave \$193.2 million to the developing world in 2010 and Swedish companies gave \$22.2 million for a total of \$215.4 million in private giving to the developing world. The Swedish government has improved their reporting, and submit-

Combined with philanthropy and remittances, all private flows were over four times larger than official flows.

ted to the OECD a figure of \$221 million in private giving for 2010. This figure is far higher than the \$74 million reported for 2009 and is in line with CGP's estimates.

Swiss PVOs and foundations gave \$431.4 million and Swiss companies gave \$115.2 million to the developing world in 2010, for a total of \$546.6 million in Swiss private giving to the developing world. The Swiss government reported only \$414 million in private giving to the OECD in 2010.

International development PVOs in New Zealand received \$91.6 million in private donations from individuals, foundation grants, and endowments. The New Zealand government reported \$49 million in private giving, half of what they could have reported to the OECD in 2010.

While the OECD philanthropy figures are underreported, it is interesting to note that the OECD total philanthropy value for all DAC donors increased in 2010 to \$30.6 billion from \$22.0 billion in 2009. This increase is due largely to an increased value reported by the United States in 2010, which amounted to \$22.8 billion, up from \$16.3 billion in 2009. While this is an improvement in the reported number, the U.S. government submission to the OECD is significantly underreported compared to the \$39 billion figure researched by the CGP. The total increase can also be accounted for by Australia reporting nearly one billion dollars in private voluntary grants. As was mentioned in last year's *Index*, Australia failed to report a figure for 2009 for unknown reasons, which is unfortunate considering Australia's philanthropy is almost one third the size of its ODA. In total, however, the OECD figure amounting to \$30.6 billion is far undervalued compared to \$55.9 billion found by the CGP, its research partners, and other sources.

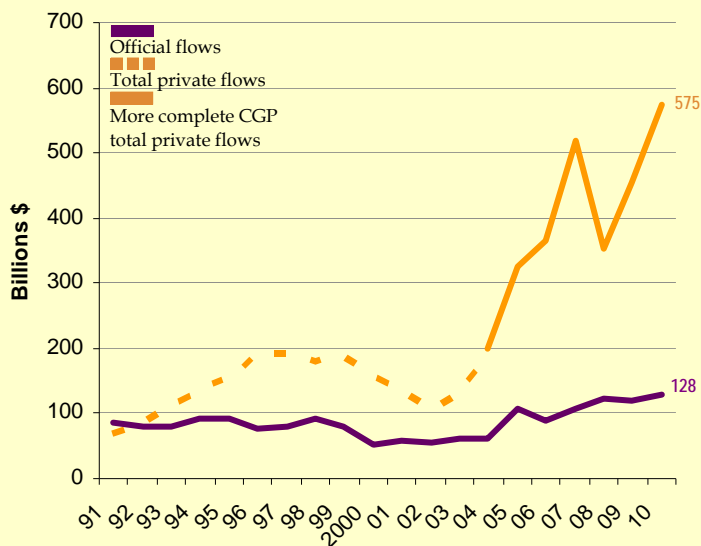
## ALL DONORS' TOTAL ASSISTANCE TO DEVELOPING COUNTRIES

This year's *Index 2012* covers data for the year 2010, during which the world saw a positive upturn in the recovery from the global recession. Continuing with the trend reported in *Index 2011*, private capital flows from all DAC donor countries showed positive growth, reaching



Figure 4

**Total Official and Total Private Flows – Philanthropy, Remittances, Investment— from OECD Donor Countries to Developing Countries, 1991-2010 (Billions of \$)**



Source: OECD; Hudson Institute's remittance calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittances Team's *Bilateral Remittance Matrix*, 2010; Hudson Institute, 2005-2012.

\$329 billion in 2010, a substantial increase over the \$228 billion reported in 2009. Private capital flows remained the largest financial flow from all developed countries to developing countries. Combined with philanthropy and remittances, all private flows were over four times larger than official flows. As seen in Figure 4, private capital investment, philanthropy, and remittances from all donor countries amounted to \$575 billion in 2010, far exceeding the \$128 billion in official flows. Over 80% of all DAC donors' total economic engagement with the developing world is through private financial flows.

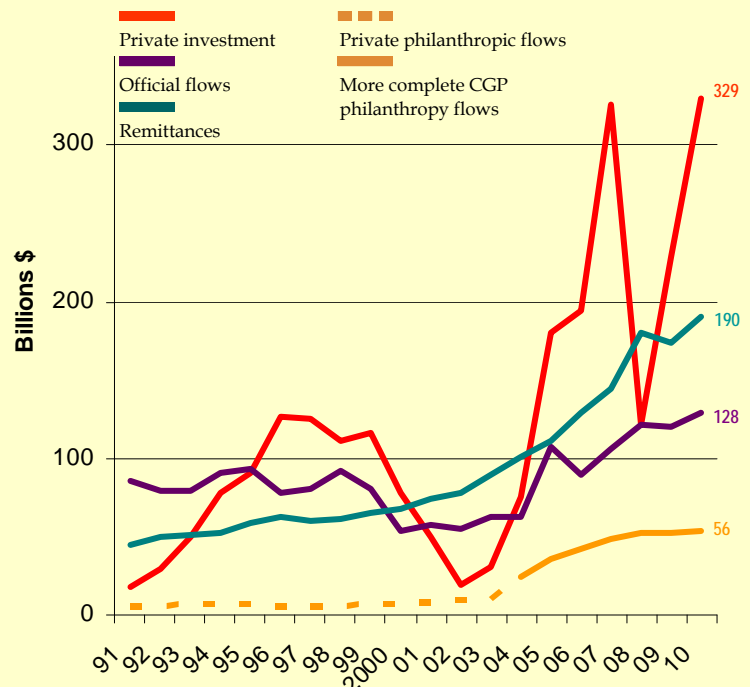
The economic turmoil of the past three years resulted in huge variations in private capital flows, particularly due to volatility in bilateral portfolio investments, which were hard hit by the banking crisis. In 2010, bilateral portfolio investments and direct investment both continued to rise, resulting in an overall \$100 billion increase of private capital flows. Despite the volatility of private capital flows in recent years, remittances and philanthropy remained stable, and the three flows when combined greatly outnumbered official flows. Figure 5 provides a breakdown of the different forms of private flows, comparing them to public flows over the last 20 years.

The OECD and the international community at large focus on official flows when making cross-country comparisons. Figure 1 shows net ODA from each DAC donor nation, and Figure 2 shows ODA as a percentage of GNI. Most nations fail to reach the 0.7% target set by the international community. Since ODA is an incomplete measure of what a country gives to the developing world, it is more helpful to compare donors on the basis of all financial aid—ODA, philanthropy, and remittances. Figures 6 and 7 provide measures of the full generosity of DAC donor countries by combining their ODA, philanthropy, and remittance outflows to the developing world.

Measuring absolute volumes of ODA, philanthropy, and remittances as Figure 6 does, puts the United States in first place with \$165 billion, or 44% of total assistance by all DAC donors. While the United States is undoubtedly the biggest contributor of total assistance, the gap between the United States and other nations will most likely become smaller in the future as research into other donors'

Figure 5

**Official, Private Investment, Philanthropic, and Remittance Flows from OECD Donor Countries to Developing Countries, 1991-2010 (Billions of \$)**



Source: OECD; Hudson Institute's remittance calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittances Team's *Bilateral Remittance Matrix*, 2010; Hudson Institute, 2005-2012.

private philanthropy continues to improve. Furthermore, the United States has more immigrants and migrant workers and thus total remittances from the United States vastly outnumber remittances from other nations. After the United States, the next largest contributors of total assistance to the developing world in 2010 were the United Kingdom, France, Canada, Germany, Japan, and Spain.

Figure 7 shows ODA, philanthropy and remittance flows of the DAC countries as a percentage of GNI. If ODA is the only flow considered when measuring a nation's contributions relative to its GNI, then only five nations succeed in reaching the target of 0.7%, as shown in Figure 2. When philanthropy and remittances are included, however, 15 of the 23 DAC donors pass the mark. Several countries, including Austria, Canada, the United Kingdom, New Zealand,

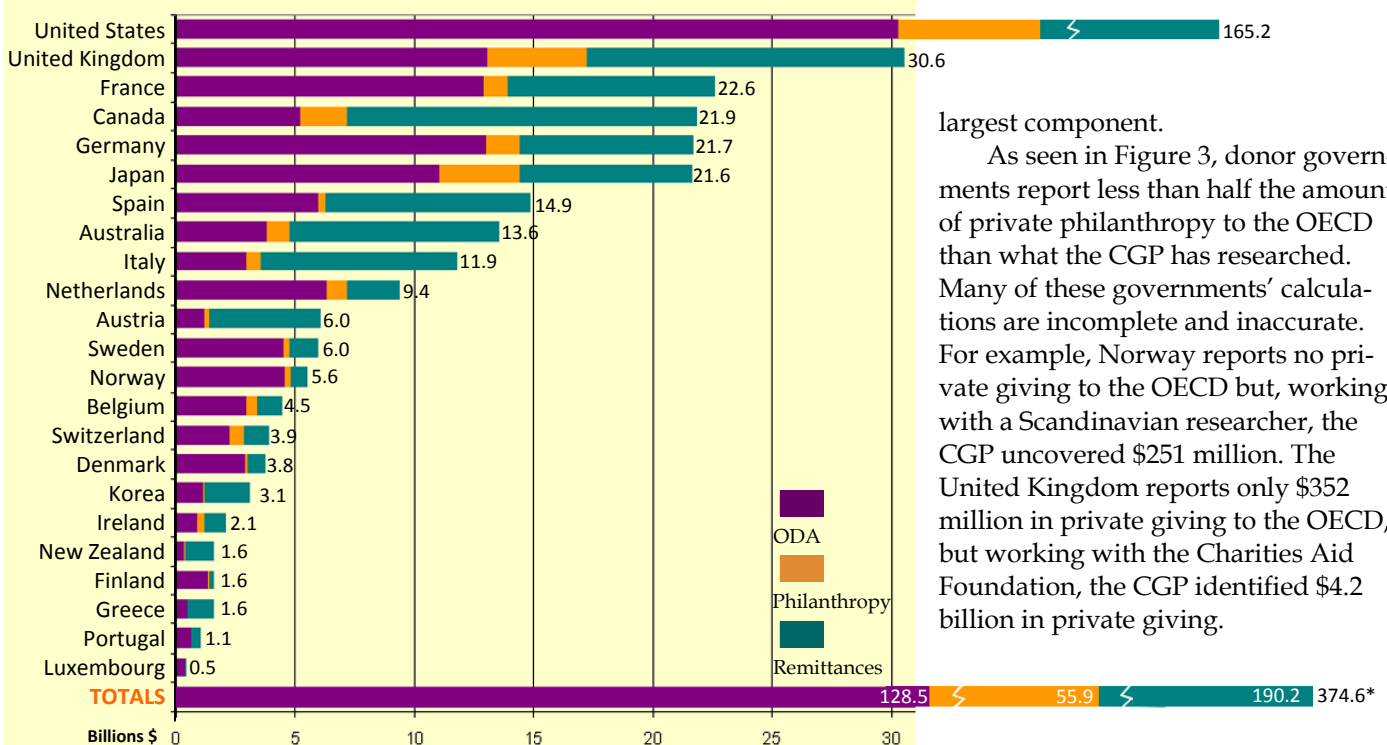
Donor governments report less than half the amount of private philanthropy to the OECD than what the CGP has researched.

and the United States, rank better relative to other donors once all three flows are calculated. This year Austria made the biggest leap largely due to higher remittance flows. As mentioned in the Remittances section and Methodology, the CGP relied on updated bilateral remittance data published by the World Bank for 2010 figures. Austria's remittance data saw a large increase as a result of updated data. Canada also made a large leap, jumping from tenth to second, as a result of large remittance outflows that make up 0.95% of Canada's GNI. When all flows are included, the United States

jumped from 19th place to 12th, a result of including remittances and philanthropy in the calculation. Of these three, U.S. remittances make up the

Figure 6

**Total Assistance from OECD Donor Countries to Developing Countries: ODA, Philanthropy and Remittances, 2010 (Billions of \$)**



\*Variation due to rounding  
Source: OECD, Statistical Annex for Development Co-operation Report 2011, 2011; Hudson Institute's remittance calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittance Team's Bilateral Remittance Matrix, 2010; Stein Brothers, AB, Scandinavia 2010-2011; Charles Sellen, France, 2008-2009 and VU University Amsterdam Department of Philanthropy, Netherlands, 2009; Instituto per la Ricerca Sociale, Italy, 2009; Le Cercle de Cooperation des OND de Developpement, Luxembourg, 2011; Vrije Universiteit Amsterdam, Geven in Nederland 2011, Netherlands, 2011; Council on International Development, Annual Report, New Zealand, 2011; Plataforma Portuguesa das ONGD, Annual Report, Portugal, 2009; Coordinadora ONG Para El Desarrollo Espana, Informe de La Coordinadora de ONG Para El Desarrollo-Espana Sobre El Sector De Las ONGD, Spain, 2009; Charities Aid Foundation, United Kingdom, 2011; Center for Global Prosperity, United States, 2009-2012.

largest component.

As seen in Figure 3, donor governments report less than half the amount of private philanthropy to the OECD than what the CGP has researched. Many of these governments' calculations are incomplete and inaccurate. For example, Norway reports no private giving to the OECD but, working with a Scandinavian researcher, the CGP uncovered \$251 million. The United Kingdom reports only \$352 million in private giving to the OECD, but working with the Charities Aid Foundation, the CGP identified \$4.2 billion in private giving.

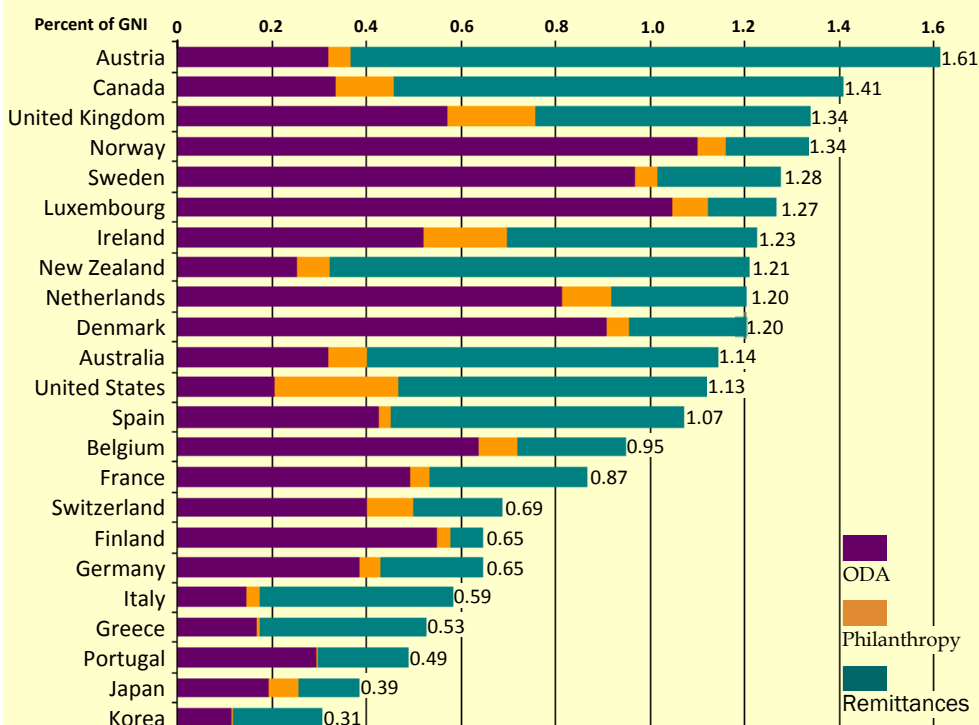
In 2002, the Hudson Institute began to measure U.S. private giving more comprehensively. Our work, conducted with leading philanthropic research institutions, such as the Urban Institute Center on Non-profits and Philanthropy and the

Foundation Center, identified a much higher number than what the U.S. Government reports to the OECD. The U.S. Government is aware of the inadequacies of the private giving number it reports and has acknowledged in publications and official presentations the improved giving number developed through the Hudson Institute's research network. In the absence of a decision on using improved numbers, the U.S. government continues to submit incomplete numbers.

What is clear from these numbers is that developed countries provide far more to the developing world through private actors than through government aid. Figures 4 through 7 show that private sector interactions—whether it be investment, remittances, and philanthropy or just remittances and private philanthropy—far exceed ODA. This reflects the diverse, new world of international development where for-profits, nonprofits, churches, universities, families and individuals can and are contributing to international relief and development in the developing world.

Figure 7

### Total Assistance from OECD Donor Countries to Developing Countries: ODA, Philanthropy and Remittances as a Percentage of GNI, 2010



Source: OECD, *Statistical Annex for Development Co-operation Report 2011*, 2011; Hudson Institute's remittance calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittance Team's *Bilateral Remittance Matrix*, 2010; Stein Brothers, AB, *Scandinavia 2010-2011*; Charles Sellen, France, 2008-2009 and VU University Amsterdam Department of Philanthropy, Netherlands, 2009; Instituto per la Ricerca Sociale, Italy, 2009; Le Cercle de Cooperation des OND de Developpement, Luxembourg, 2011; Vrije Universiteit Amsterdam, *Geven in Nederland 2011*, Netherlands, 2011; Council on International Development, *Annual Report*, New Zealand, 2011; Plataforma Portuguesa das ONGD, *Annual Report*, Portugal, 2009; Coordinadora ONG Para El Desarrollo-Espana, *Informe de La Coordinadora de ONG Para El Desarrollo-Espana Sobre El Sector De Las ONGD*, Spain, 2009; Charities Aid Foundation, *United Kingdom, 2011*; Center for Global Prosperity, *United States, 2009-2012*.

- 1 Shaohua Chen and Martin Ravallion, An update to the World Bank's estimates of consumption poverty in the developing world, Development Research Group, World Bank, March 1, 2012.
- 2 Annie Lowrey, Dire Poverty Falls Despite Global Slump, Report Finds, *New York Times*, March 6, 2012.
- 3 Secretary of State Hillary Clinton, Keynote at the Opening Session of the Fourth High-Level Forum on Aid Effectiveness, November 30, 2011.
- 4 Organisation for Economic Co-Operation and Development (OECD). *Statistical Annex of the 2012 Development Co-operation Report*, Table 01e.
- 5 Ibid.
- 6 Ibid.
- 7 Ibid.

- 8 Organisation for Economic Co-Operation and Development (OECD). *Statistical Annex of the 2012 Development Co-operation Report*, Table 13.
- 9 Organisation for Economic Co-Operation and Development (OECD). *Statistical Annex of the 2012 Development Co-operation Report*, Table 25e.
- 10 Ibid.
- 11 Ibid.
- 12 Organisation for Economic Co-Operation and Development (OECD). *Statistical Annex of the 2012 Development Co-operation Report*, Table 13 and Table 01e.
- 13 Ibid.
- 14 Organisation for Economic Co-Operation and Development (OECD). *Statistical Annex of the 2012 Development Co-operation Report*, Table 13 and Table 28e.



# GLOBAL REMITTANCES

Haitians line up to receive money transfers in Carrefour, Haiti. Estimates show that remittances form almost half of Haiti's national income.



In 2010, remittances from all nations to the developing world amounted to \$325 billion, showing positive growth from the 2009 total of \$307 billion.<sup>1</sup> The increase in remittances was seen



across all parts of the developing world and is largely due to the partial economic recovery experienced during 2010.

## REMITTANCES FROM ALL COUNTRIES TO DEVELOPING COUNTRIES

The World Bank predicts that remittances will continue to rise at a 7-8% rate over the next several years, which is well below the pre-recession growth rate, but is expected to be sustainable over time and will continue to reinforce the importance of remittances as stable economic flows to developing countries.<sup>2</sup> At this rate, remittance flows to developing countries will reach an estimated \$375 billion by 2012.

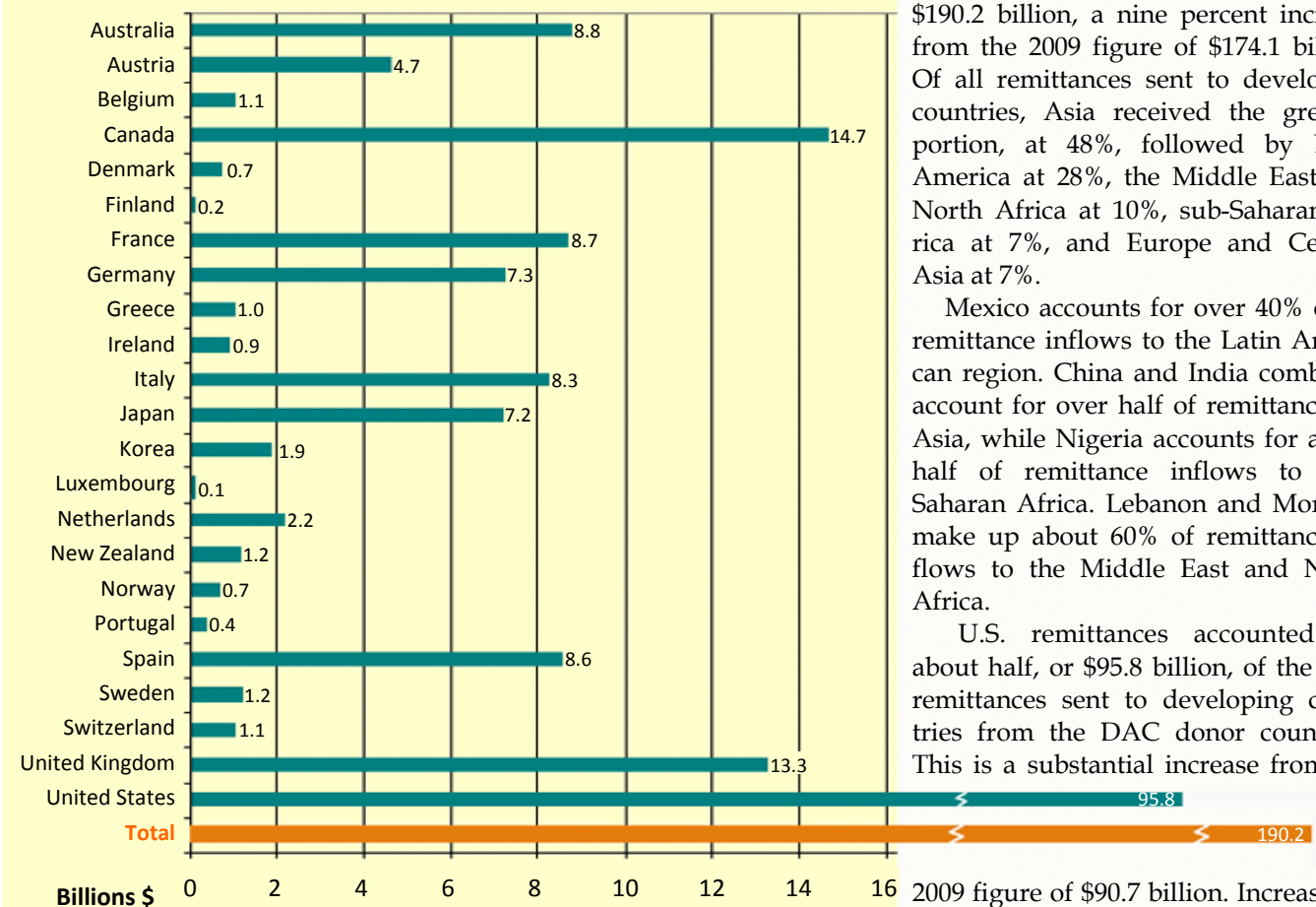
Recovery of remittance inflows is expected in all regions of the developing world; however, the rate of recovery will vary. Remittance flows to Latin America

The World Bank predicts that remittances will continue to rise at a 7-8% rate over the next several years.

and the Caribbean are expected to recover to about 9% per year as the U.S. economy recovers. Remittance flows to Eastern Europe and Central Asia are predicted to increase steadily at between 8-9% percent in 2011-2013. Remittances to parts of Asia, which have been growing briskly, may see slower growth due to the economic impact of the earthquake in Japan. Likewise, the turmoil in North Africa and parts of the Middle East may result in decreased flows to those regions.

## REMITTANCES FROM DONOR COUNTRIES TO DEVELOPING COUNTRIES

**Figure 8**  
**Remittances from OECD Donor Countries to Developing Countries, 2010**  
(Billions of \$)



Source: Center for Global Prosperity calculations using World Bank data; see Methodology.

As seen in Figure 8, in 2010, total remittances from the OECD's 23 DAC members to the developing world were \$190.2 billion, a nine percent increase from the 2009 figure of \$174.1 billion. Of all remittances sent to developing countries, Asia received the greatest portion, at 48%, followed by Latin America at 28%, the Middle East and North Africa at 10%, sub-Saharan Africa at 7%, and Europe and Central Asia at 7%.

Mexico accounts for over 40% of all remittance inflows to the Latin American region. China and India combined account for over half of remittances to Asia, while Nigeria accounts for about half of remittance inflows to sub-Saharan Africa. Lebanon and Morocco make up about 60% of remittance inflows to the Middle East and North Africa.

U.S. remittances accounted for about half, or \$95.8 billion, of the total remittances sent to developing countries from the DAC donor countries. This is a substantial increase from the

2009 figure of \$90.7 billion. Increases in remittances to Latin America and Asia account for most of this increase, which

was largely due to a partial recovery in migrant employment in the U.S. manufacturing and service sectors.<sup>3</sup>

As seen in Table 2, the single largest recipient of U.S. remittances was Mexico, which received an estimated \$22.2 billion in 2010, a \$2 billion increase from the previous year. The U.S. accounts for nearly 99% of all remittances inflows into Mexico. Following Mexico are China, India, and the Philippines, with \$12.2 billion, \$12.0 billion, and \$10.1 billion, respectively. While remittances to China and India increased from 2010, remittances to the Philippines saw a slight decline.

However, while remittances overall have increased, because the currencies of several large remittance-recipient countries, including Mexico, India and the Philippines, have appreciated relative to the U.S. dollar at the same time that inflation is increasing, migrants have to send more money home to maintain recipients' purchasing power.<sup>4</sup>

Remittances from Europe amounted to \$60.5 billion in 2010, an increase from \$56.3 billion in 2009. The United Kingdom was the largest source of remittances from Europe, at \$13.3 billion, a figure that has remained stable since 2008. Remittances from Germany, the third largest contributor in 2009, decreased from \$10 billion to \$7.3 billion. Surprisingly, remittances from Italy, Greece, and Spain, countries that are now undergoing major economic crises, remained steady or showed a slight increase in 2010. The remaining DAC donor countries—Canada, Japan, Australia, Korea, and New Zealand—

Table 2

**Remittances from the United States to Developing Countries by Region, 2010**  
(Billions of \$)

Region	Remittances Received
Latin America and the Caribbean	43.1
Mexico	22.2
East Asia, South Asia and the Pacific	42.3
China	12.2
India	12.0
Philippines	10.1
Sub-Saharan Africa	4.6
Middle East and North Africa	3.6
Europe and Central Asia	2.2
<b>Total</b>	<b>95.8*</b>

\*Variation due to rounding

Source: World Bank, Migration and Remittance Team's *Bilateral Remittance Matrix*, 2010.

accounted for \$33.8 billion, a large increase from the \$26.8 billion total in 2009. Remittances from Australia and Canada accounted for a large portion of this increase.

## Western Union's 4 + 1 Program: Multiplying the Benefits

A recent study by the Inter-American Dialogue analyzed the impact of Western Union's 4+1 diaspora investment program, which was designed to spur local economic development in impoverished regions of Mexico. The program built on the framework of the Mexican government's 3×1 program, which matches every \$1 in funds raised by hometown associations in United States with \$3 in public funds. Hometown associations are organizations created by migrants in the United States to aid their hometowns by channeling remittances into development-oriented projects. The money raised by the 3×1 program goes to infrastructure projects such as schools, roads, and health clinics.

The 3×1 program has raised \$300 million and supports more than 1,000 projects in Mexico. In 2005, Western Union

announced it would contribute additional funding to eight 3×1 projects in the state of Zacatecas under a development program dubbed 4+1. In 2008 it expanded 4+1 funding to 21 projects in the states of Zacatecas, Veracruz, Guanajuato, Michoacán, and Guerrero. The financing supported the establishment or expansion of small and micro-enterprise activities, primarily in the agricultural sector, and averaged \$28,800 per project.

The evaluation found that by making capital available, the 4+1 project strengthened the long-term viability of the 26 ongoing projects. The study estimated that current and projected jobs created by the projects will generate an estimated \$1 million in earnings per year and help diversify income streams for local families. In addition, the businesses

brought added value to their communities, including establishing Internet connections and sharing expertise in eco-friendly farming practices. Investments in farm equipment like tractors also allowed more children to attend school rather than stay home and help on the farm, which should bring long-term benefits to the community.

Over half of the 26 businesses that received funding are currently breaking even or making a profit; most of the others have not yet begun operation or are only in the first year of business. The study found that the main obstacle for many of the businesses is integrating themselves into the value chain of commercial enterprises, since many do not produce enough of their product to make it worthwhile to export. The

report recommended additional technical support to help participants access business development loans from the commercial sector and to develop marketing strategies for their products to aid commercial integration.

The report concluded that the 4+1 program is an innovative public-private partnership that has been “modestly successful at stimulating local development” to date and has the potential to be a long-term economic stimulus to local economies through increased labor demand. In addition, connections between the local businesses and migrants in the United States have the “potential to expand the businesses’ markets, generate higher profits, and develop a greater sense of transnational community.”



Before support from the 4+1 program, feed for local cattle was grown and harvested by hand; now these farmers in Leon, Guanajuato are able to afford equipment that greatly increases productivity and ultimately farmers’ income as well.

1 Sanket Mohapatra, Dilip Ratha and Ani Silwal, “Outlook for Remittance Flows 2011-13,” Migration and Development Brief 16. World Bank, Migration and Remittances Team, May 23, 2011.

2 Sanket Mohapatra, Dilip Ratha and Ani Silwal, “Outlook for Remittance Flows 2011-13,” Migration and Development Brief 16. World Bank, Migration and Remittances Team, May 23, 2011.

3 Sanket Mohapatra, Dilip Ratha and Ani Silwal, “Outlook for Remittance Flows 2011-13,” Migration and Development Brief 16. World Bank, Migration and Remittances Team, May 23, 2011.

4 Sanket Mohapatra, Dilip Ratha and Ani Silwal, “Outlook for Remittance Flows 2011-13,” Migration and Development Brief 16. World Bank, Migration and Remittances Team, May 23, 2011.



# Success Stories

FEED

## Designing For a Cause

**C**an fashion and philanthropy coexist? They can, according to Lauren Bush-Lauren, who is a granddaughter of former President George H.W. Bush, and Ellen Gustafson. Together they founded FEED Projects, a company whose mission is to “create good products to help feed the world.” Bush, who is a former model, created a fashionable, reusable tote based on the burlap sacks of food provisions she saw as an honorary spokesperson for the UN Food Programme that quickly became a must-have among the fashionable. The idea is a simple one: the philanthropy is built into the cost of the bag. The purchase of the original FEED 1 bag provides enough funding for the UN Food Programme (\$20) to feed one child for one year through its school-based food program. “This way people buying the bag would know exactly where their money is going and how many children it is going to affect,” Bush said on FEED’s blog.

FEED Projects was founded in 2008, as was the FEED Foundation, the 501(c)(3) nonprofit arm of the social retail venture. The foundation channels the proceeds of the retail products into large-scale, established programs that feed children through schools, primarily the World Food Programme (WFP), which is the UN program, and UNICEF. FEED believes that cash transfers avoid duplicating the efforts of other organizations and bypass the red tape surrounding the establishment of projects in-country, since large projects like UNICEF and the WFP already have the human capital and infrastructure in place to intervene successfully in a range of communities. In addition to the retail sale of the specialty products designed by Bush, FEED hosts an annual fundraiser and partners with corporate sponsors to raise additional funding.

FEED tackles hunger as a root cause of poverty. Children who

don’t get enough to eat are mentally and physically underdeveloped and unable to do well in school. In addition, the promise of a meal at school is a powerful motivator for parents to keep their children in school instead of keeping them home to work in the fields or sending them out to work. WFP research shows that “in countries where school attendance is low, the promise of at least one nutritious meal each day boosts enrollment and promotes regular attendance.”

Since the introduction of the original FEED bag in 2007, Bush has designed more than ten different bags. Some, like the FEED Guatemala bag, a colorful ikat fabric bag introduced this year, benefit a specific country and are handmade by local artisans to help boost

the local economy. FEED has also partnered with a number of corporations, such as Pottery Barn, for which it created a bag as well as a water bottle and storage container, and Disney, for which it created a bag based on Disney’s “Small World” characters. Its most recent collaboration is with the cosmetics company Clarins. The FEED 15 Clarins

Pouch is a white



Lauren Bush-Lauren, founder of the FEED Foundation, shows off FEED bags made in Kenya.

organic cotton pouch with the number 15 written on it in red to represent the 15 school meals that the purchase of a pouch, which is \$30, will provide. It comes with three Clarins samples inside, in a new twist on the traditional cosmetics gift-with-purchase theme. “Instead of doing a gift with purchase, we’re going to do a good with purchase,” Christian Courtin-Clarins, the chair of Clarins said in announcing the partnership.

Since 2008 FEED has sold 555,000 bags and donated approximately \$6 million to international food programs, providing some 63 million meals to low-income children around the world, including some impoverished communities in the United States. In the words of Lauren Bush-Lauren, it is a “fun, easy, very fashionable way to give back.”

—Thomas Vargas



## PITCH IN FOR BASEBALL

### A Home Run

**D**avid Rhode is okay with failure. In fact, he encourages it. As executive director of Pitch In For Baseball (PIFB), Rhode believes failure helps kids to grow, and in baseball, “kids fail all the time.” PIFB, which was founded in 2005, collects gently used baseball equipment from organizations and individuals across the United States and sends it to baseball programs in underserved communities around the world. The goals of the program are two-fold: to give children the opportunity to have fun and learn the important lessons of teamwork and sportsmanship through the game of baseball and to encourage community engagement at home and abroad.

As of 2010, PIFB has donated equipment to more than 600 baseball programs in more than 20 countries in Europe, Asia, and the Americas, providing 13,000 gloves, 25,000 balls, and 11,000 bats to 120,000 children. PIFB works with local partners, which are established community baseball and softball programs, to identify the unique needs of the program. It has an entire warehouse in Philadelphia, where PIFB is based, full of donated uniforms, bases, balls, and bats, which it ships to the partner programs.

While baseball may be America’s pastime, PIFB sees it as a form of cultural exchange that can help build community. “There’s a certain innocence that is hard to ignore. People just get back to thinking about having fun and relating on a very simple level to someone else. Sports cut across a lot of levels,” says Rhode. He believes that many of the values that baseball develops, such as discipline and sportsmanship, are useful in any society and go far beyond the sport itself. Playing a team sport with the proper equipment also instills self-worth and pride of ownership in children who have little to call their own. “We’ve heard more than one occasion of the kid sleeping with the glove under their pillow,” Rhode says.

Mathias Jackson, a former Peace Corps volunteer in Azerbaijan, agrees that there is a hunger for team sports in many parts of the world. Though officially an English teacher, Jackson spent his spare time in Azerbaijan serving as the commissioner of the Peace Corps Azerbaijan Youth Softball League. Team sports are

rare in Azerbaijan, and Jackson quickly discovered that the demand for softball was high. With the help of PIFB, Jackson and 20 other Peace Corps volunteers doubled the size of the league to include eight teams and 130 kids from across the country.

The appeal of PIFB lies in its simplicity. Somewhere in the world, kids need bats. Somewhere else in the world, kids have them. PIFB’s donors are split nearly evenly between individuals and corporations. It has received used equipment from New Era and Nike as well as endorsements from Major League Baseball and Little League Baseball. In fact, PIFB’s partnership with the latter allowed PIFB to reach the more than 5,000 Little League teams in the United States. Many teams donated used equipment while others organized community drives, which is exactly the type of locally-based philanthropy that Rhode hoped to in-

spire. “One of the fundamental ideals of the program is to infuse the culture of philanthropy among kids,” Rhode explains. “Kids don’t necessarily understand difficult, complex medical issues, but a kid does understand that if another kid had a baseball glove, he will be really happy.”

Jaxson Dubinsky was only 13 years old when he started collecting equipment for PIFB for his Bar Mitzvah volunteer project. He began with a collection drive at his school, which generated 100 items, but that was small peanuts compared to his later efforts. Through his father’s contacts, Dubinsky secured permission to collect equipment at a local baseball tournament with about 170 participating teams. In one day, he collected 1,000 items for PIFB. “It made me feel like I was on top of the world,” he said, “because I knew that I was helping somebody do something that I feel every kid, male or female, should get to experience.”

Despite these successes, outreach is still PIFB’s biggest concern,

Rhode says. With a full-time staff of two and an operating budget of under \$250,000, PIFB doesn’t have the resources to mount a large-scale advertising campaign. Moreover, many of those it does reach are more comfortable donating equipment than funds, which the organization needs to ship the equipment around the world. Nonetheless the program continues to grow. Rhode’s ultimate goal is that one day, any baseball player with used equipment will instinctively think, “I wonder if we could send this to Pitch In For Baseball. They know what to do with it.”

—Annie Wang



A baseball team in the Dominican Republic uses donated baseball equipment, thanks to Pitch In For Baseball.

## Social Businesses: Profit and Sustainability Go Hand in Hand

Whether it's called impact investing, social entrepreneurship, creative capitalism, venture philanthropy, business at the bottom of the pyramid, or just plain capitalism, sustainable development projects finally look like they're here to stay. These projects combine a myriad of hybrid approaches—non-profits funding for-profits and for-profits funding non-profits—but the bottom line is that the exit strategy is a successful, ongoing enterprise helping poor people increase their incomes and prosperity. As Susan Raymond writes on page 9, the exit strategy for this new philanthropy is not just seeking another grant, but solving a problem.

For years Mercy Corps has been one of the world's best known NGOs, providing sustainable relief and development solutions to some of the poorest communities in the developing world. So it may come as a bit of a surprise to learn that the organization has gotten into one of the trendiest businesses around: food carts. But in the case of **Kedai Balitaku** the business is about more than just selling food, it is about doing good and turning a profit. Increasingly development organizations are turning to social businesses like Kedai Balitaku to provide sustainable solutions to some of poverty's most vexing challenges.

Kedai Balitaku (My Child's Café) is a for-profit company launched by Mercy Corps to tackle the dual issues of child malnutrition and unemployment in the slums of Jakarta, Indonesia. Mercy Corps ran traditional nutrition education programs for low-income women in Jakarta, but found that these women continued to rely on inexpensive local food carts to feed their children because they don't have kitchens or cooking utensils. Unfortunately, the food sold from these carts is calorie laden, usually fried or sweet, and lacking in nutritional benefit. The brightly colored Kedai Balitaku carts sell inexpensive, nutritious

food targeted to young children for about 20 cents a portion, which is competitive with other local vendors. They are owned and operated by previously unemployed people from the community who keep all the profits they make. Mercy Corps provides a start-up loan for the cart as well as training in customer service, sanitation and financial management. The advertising agency Saatchi & Saatchi donated its services to design the visual brand and the marketing strategy. In its first month of operation in February of 2010, the program sold 14,000 meals and continues to grow rapidly, with more entrepreneurs

that it has created more than 430 million days of employment at various levels. The company was one of five finalists for the 2008 Legatum FORTUNE Technology Prize.

**A to Z Textile Mills** in Tanzania manufactures long-lasting bed nets impregnated with an anti-malarial agent that is effective for up to five years instead of the usual six months. It is one of the largest employers in Africa, providing jobs for 7,000 workers, mainly women, in producing 30 million nets annually. The nets are sold through the World Health Organization, UNICEF, NGOs, and private-sector channels. The technology transfer to bring the long-

lasting insecticide, which was developed by a Japanese company, to Africa was funded through a \$325,000 loan from the Acumen Fund.

**Ecotact** is providing an innovative solution to the problem of sanitation in developing countries. It manufactures and operates pay toilets and showers in 29 locations around Nairobi, Kenya, where 50% of residents lack access to modern sanitation facilities. Water-borne diseases are a major public health problem that result in high child mortality and sap the productive capacity of the local population. Customers pay about

six cents to use the toilets and each toilet serves some 1,000 people per day. In 2010 Ecotact facilities had five million visits.

The company enters into public-private partnerships with local municipalities, which grant the company the right to use the land for the toilets in exchange for Ecotact bearing the construction costs and operating the toilets for five years. The company hires local individuals to clean and staff the toilets. Ownership of the facilities reverts to the local municipalities after five years. Ecotact founder David Kuria was named the Africa Regional Entrepreneur of the Year in 2009 by the Schwab Foundation and the company is one of five finalists for the 2011 Africa SMME (small, medium and micro enterprise) Awards.



Mercy Corps created a Healthy Food Cart Program in Indonesia called Kedai Balitaku or "My Child's Café."

being added weekly.

**Global Easy Water Products** is selling micro irrigation products to farmers in India. Their products, such as tape drip irrigation systems and micro sprinklers, are easily set up and used by small farmers, can be adapted for a variety of crops, and require little upfront investment—all products are priced to pay for themselves within one year of purchase. The for-profit company uses a network of independent, local retailers to sell its products. The program is increasing farmers' incomes and building businesses for local retailers. The company sold 75,000 units in 2008-2009 and has received a \$1 million investment from the Acumen Fund, which owns a 30% stake in the company. GEWP estimates

Plans are underway to expand the company into Tanzania and Uganda.

What all these companies have in common is the desire to create a social benefit combined with an entrepreneurial, profitable business model that allows them to be

self-sustaining over the long run. As Sasha Muench, economic development advisor for Mercy Corps, told the *New York Times*: “We were trying to get away from the traditional model where everything is implemented by an NGO or by the government

and everything is dependent on the next round of funding. As long as businesses are profitable, they have an inherent sustainability factor.”

## LIBRAS DE AMOR

# Fighting Malnutrition for a Brighter Future

**I**n El Salvador, one in four rural children under the age of five suffers from chronic malnutrition. In addition to putting the health of these children at significant risk, widespread chronic malnutrition is a significant contributor to long-term, intractable poverty. Poor nutrition hinders educational performance and causes stunted growth, both of which limit adult productivity and the development capacity of nations.

An innovative program in El Salvador, however, is giving communities the tools to fight malnutrition and build a more prosperous future. Libras de Amor was founded in 2004 by Alejandro Poma to reduce childhood malnutrition as a way to further development in El Salvador. It implements a comprehensive, integrated health and nutrition program that targets the multiple causes of malnutrition in El Salvador’s poorest communities.

The program features teams of doctors, nutritionists, social workers and “income generation specialists” who live in the municipalities they serve for five to eight years, traveling to local villages to provide monthly food packages to alleviate malnutrition in the short term, prenatal and postnatal care and vaccinations to make sure children get off to a healthy start, and nutritional counseling. They also educate parents about good hygiene practices and early childhood development. In order to help the entire community prosper, Libras de Amor offers training in entrepreneurship, accounting, marketing, client services, and English.

This training ensures that program participants have the means to generate income and purchase healthy food for their families over the long term. According to Poma, “Malnutrition equals poverty, but nutrition equals a fair start.”

Since 2004, Libras de Amor has expanded from serving 6,000 individuals in one municipality to serving over 85,000 in seven municipalities. Its programs have reduced malnutrition by an average of four percentage points a year since 2004. In 2011,

Libras de Amor was selected as a finalist for the McNulty Prize, which recognizes exceptional leadership projects. Aprile Age, director of the McNulty Foundation, notes: “Treating malnutrition is the key to greater productivity—Libras de Amor has reframed this issue to address poverty alleviation and developed a long-term strategy to this end. It is revolutionary because its holistic approach goes beyond the mother and child to impacting the entire family and community.”

Libras de Amor is also committed to building a culture of generosity among all Salvadorans. It is funded through a combination of business, individual, and institutional contributions and has developed a reputation for transparency and accountability. It has developed public-private partnerships that include the El Salvadorian television network TCS, Walmart, Delta Airlines, and local Salvadorian businesses. It has received funding from the Inter-American Development Bank (\$280,000 in 2011) and USAID, as well as AmeriCares, the Citi Foundation, and Philip Morris. Libras de

Amor believes that everyone in the community can play a role, no matter how small, in building a better future for El Salvador.



With the help of LDA, this Salvadoran woman is able to sell her own products and create a sustainable business.

- Laura Esposito



## What is Shared Value?

The buzzword these days in cutting-edge corporate social programs is “shared value.” Shared value is about creating social value for society at the same time that a company creates shareholder value. The strategies to achieve both ends are dependent on one another. The term “shared value” was coined by Michael Porter of Harvard Business School and Mark Kramer of Harvard’s Kennedy School of Government, who say the approach will be more effective and sustainable than traditional corporate philanthropy programs. “Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success,” they write. “Businesses acting as businesses, not as charitable donors, are the most powerful force for addressing the pressing issues we face.”

Companies using the approach include

Walmart, HP, Johnson & Johnson, GE, Nestlé, Unilever, IBM, and Intel. According to Porter and Kramer, shared value has three components. The first is reconceiving products and markets to create products that are good for consumers, communities and the environment. Examples include GE’s Ecoimagination products, which are now a nearly \$20 billion market, and efforts by Intel and IBM to help create a smart-grid to make power usage more efficient. The second is redefining productivity in the value chain, focusing on energy and resource use in producing and transporting products, procurement strategies that seek to build up local markets, and new distribution models that reduce waste and create local opportunities for employment. Examples include Coca-Cola’s successful efforts to cut water usage by nearly 10% and Nestlé’s program to increase the

quality and yield of premium coffee grown by formerly impoverished farmers in Africa and Latin America. The final component is enabling local cluster development, which refers to the building up of infrastructure, local suppliers and service providers, and educational institutions in geographic “clusters” surrounding key business locations. For instance, Nestlé’s coffee-growing program developed clusters in each targeted agricultural region that included building up local businesses that provided essential agricultural inputs such as fertilizer and irrigation equipment. Strengthening regional co-ops and farming extension programs brought more jobs to the local community and benefited local farmers who weren’t in the program.

Following are two examples of innovative shared value programs that exemplify best practices in this exciting trend.

### HEWLETT PACKARD

## Moving the Needle

When Gabi Zedlmayer became the Vice President of Global Social Innovation at Hewlett Packard two years ago she didn’t have to look far for an organizing principle behind the company’s international philanthropy efforts—it had been there all along. “Corporate social responsibility is nothing new for HP. Founders Bill Hewlett and Dave Packard believed in creating value and impact for the community. I thought why not let that inform how we are building our strategy,” said Zedlmayer. The company took stock of the big social issues in the world and the portfolio that HP could bring to bear on them. The result was the company’s groundbreaking shared value social innovation program that focuses on health, education, entrepreneurship and community engagement in emerging market economies.

As the largest technology company in the world, HP is uniquely positioned to tackle some of the world’s more intractable problems. “There is no other information technology company that has the breadth and depth of what HP can bring to tackle big social issues—hardware, software, 200,000 high skilled employees,” notes Zedlmayer. “This gives us a fantastic opportunity to look at these issues holistically.”

Health care is of particular interest to HP because information technology is not efficiently deployed in this sector but has the potential to make a big difference, such as with the Early Infant Diagnosis Project in Kenya. Up to 10% of pregnant women in the country are HIV positive. It is essential to find out immediately if they have passed the virus on to their infants so they can be started on anti-retroviral treatment. Unfortunately, it typi-

cally takes four months to get back the results of a blood test under the country’s antiquated mail-based testing system, by which time the window for optimal treatment of infants has closed. As a result, half of all HIV positive babies in Kenya do not make it past their second birthday. HP tackled the problem by doing an IT assessment of the situation, just like they would do for any corporate client. The result was the Early Infant Diagnosis Project, which is being run in partnership with the Clinton Health Access Initiative. HP installed five data centers around the country: one in the Ministry of Health, two in national laboratories and two in remote locations. It created an electronic tracking system for blood samples and a database for results. Laboratories now transmit the blood test results in just days via text message to specially equipped 3G printers, since Internet access is limited but having printed test results is essential to counseling parents. As a result of the program, the number of children tested for HIV increased from 45,000 in 2009 to 70,000 in 2011 and 7,000 children were started on life-saving treatment.

In addition to saving lives, the project is helping HP make business inroads in Kenya, an important emerging market. “This is a great showcase for HP to demonstrate its capabilities,” says Zedlmayer. “Now the Ministry of Health understands what capabilities we offer and has approached us about adding additional capabilities such as malaria testing to the platform. As they look to grow their technology infrastructure in the future we will have already demonstrated our capabilities.”

The Early Infant Diagnosis Project received a Business Action on Health Award from the Global Business Coalition in 2011 and has prompted interest from other Ministries of Health in sub-Saharan Africa. HP is currently working with the Norwegian Agency for Development Cooperation to expand the program



into Uganda and plans to work with other funders to scale-up the program in additional countries.

In addition to building capacity another key feature of the program is strong working relationships with local partners. "It is critical to have partners on the ground who know the local situations. What we are finding is that the private sector will create its own ecosystem. We are creating connections that involve NGOs, telecom companies and pharmaceutical companies to move to sustainable, holistic solutions," says Zedlmayer. "The most important thing to look at in this whole movement to shared value is how this can really help tackle the big social issues. Now you can really see the needle moving."

## WALMART

### Leveraging Business for Social Impact

**W**almart's Global Women's Economic Empowerment Initiative is empowering women and strengthening communities across Walmart's global value chain. The program focuses on increasing sourcing from women-owned businesses, empowering women on farms and in factories that supply Walmart and other retailers, providing women with training and education for better career opportunities and economic security, and increasing gender diversity among the company's suppliers. Walmart and the Walmart Foundation have made a five-year, \$100 million commitment to the program. "Helping more women live better is a defining issue for our business and our world," said Walmart President and CEO Mike Duke when the initiative was announced in September of 2011. As a global company, Walmart believes its future is linked with the future of women, who are Walmart's core shoppers and vital contributors to their local economies.

A key pillar of this initiative is already changing lives in Brazil. Since 2010, the Walmart Brazil Institute has provided young adults who were not previously working in the formal sector with the skills and training to work for Walmart and other companies in Brazil's rapidly growing commercial sector through the Social School for Retail. The eight-month program focuses on life skills as well as retail and technical training. Two-thirds of the 2,700 students to date have been women and over 80% who completed the program have gone on to work in the formal sector—about half for Walmart and half for other companies. According to program manager Adriana Mariano, the focus is on "developing people without access to vocational training for an industry that needs professionals" and

changing the direction of individuals' lives by giving them access to well paying jobs that can evolve into careers.

The program partners with the Instituto Aliança, an NGO, and the secretaries of education in three Brazilian states. "Our vision is that every young adult should have access to training for the world of work in high school, with a focus on building their life and career plan," says Paulo Mindlin, head of Walmart Brazil Institute. Walmart has a similar retail skills training program in India that has graduated nearly 9,000 students.

In Mexico, the focus is on empowering local farmers through Walmart's supply chain. Walmart is working in conjunction with TechnoServe, a non-profit that provides entrepreneurs with the skills and training to create sustainable businesses, to develop local suppliers for produce for Walmart stores in Mexico. The program started as a food security program in the impoverished state of Oaxaca. Local gardens were created and small water treatment plants were constructed. From there, the program was scaled-up in 2011 to a pilot program designed to allow participants to compete in the commercial sector. Some 200 participants growing tomatoes or zucchini, one-quarter of whom were women, were given loans to expand greenhouses and provided with classes on growing, selecting and packing the produce, as well as hands-on technical support to make sure best practices were being followed. They were also provided with financial management training to teach them how to run small businesses. "We wanted women involved with administration and financials, not just picking and planting," said Sascha Rubin, the project manager for the program at the Walmart Mexico Foundation.

The produce from each farm is packed at a central warehouse, which greatly increases standardization and market competitiveness. The growers are also free to sell produce to buyers other than Walmart. "Participants really appreciate the program because they are getting higher prices for selling to Walmart, but they are also selling to local markets," says Rubin. "This is not only to improve their ability to feed themselves; it is about creating opportunities to grow their incomes."

The long-term goal of the program is to end any of Walmart's financial or technical support for local suppliers. "The model isn't just to buy 100% of production for five years," says Rubin. "We wanted to develop a model where farmers could become independent suppliers and eventually wouldn't need continued intervention from the foundation." Walmart has been working in the Oaxaca community for about six years. Already, plans are underway to expand the program in 2012 to five additional regions of Mexico. "We will be careful to ensure that practice and products are aligned with local communities," says Rubin, "and expect this program will make a major contribution to Walmart."



Tomato farmers in Mexico are enjoying high profits thanks to a program by the Walmart Mexico Foundation.

## METHODOLOGY

### U.S. International Philanthropy

#### Foundations

The Foundation Center's estimates of 2010 international giving by U.S. foundations and of the share of this support benefiting developing countries are based on an analysis of the Center's grants sample database and on giving by the nation's nearly 75,600 grantmaking private and community foundations.

The Center's 2009 grants sample database includes all of the grants of \$10,000 or more authorized or paid by 1,330 of the nation's largest foundations, including 192 corporate foundations. Estimates of international foundation giving include all grants awarded to recipients based outside of the United States and its territories and grants to U.S.-based international programs. Grants for developing countries include the subset of awards targeting recipients based in developing countries, U.S.-based and overseas international programs benefiting developing countries, and global health programs. Countries were classified as "developing" based on the 2010 Official Development Assistance Recipient List of the Organization for Economic Cooperation and Development (OECD).

The Foundation Center determined that overall giving by U.S. private and community foundations for international causes was \$6,838,584,000: \$6,384,685,000 by independent, community, and operating foundations and \$453,899,000 from corporate foundations. The Foundation Center estimated the proportion that targeted the developing world based on a detailed analysis of its grants dataset over several years, closely examining the geographic focus of giving by all foundations included in its sample. Foundation giving for developing countries as a share of international giving for non-corporate foundations was estimated to be 71.7%. Applied to the figure of \$6,384,685,000 in overall international giving by non-corporate foundations, the Center derived the figure of approximately \$4.6 billion for giving by non-corporate foundations for developing countries. International giving for developing countries by corporate foundations was also estimated, but this figure is included in the corporate giving section of the *Index*.

#### Corporations

The Center for Global Prosperity (CGP) partnered with the Committee Encouraging Corporate Philanthropy (CECP), the Foundation Center, the Urban Institute's Center on Nonprofits and Philanthropy (CNP) and the Partnership for Quality Medical Donations (PQMD) for data on corporate giving for 2010. The CECP is the only international forum focused exclusively on corporate philanthropy and counts 171 business CEOs and chairpersons as members. The PQMD comprises 29 member organizations (NGOs and pharmaceutical and medical supply manufacturers) that share a common commitment to advancing effective drug and medical supply donation practices. In addition to information from CECP and PQMD, CGP systematically reviewed giving information for Fortune 500 companies not reporting through either organization.

A total of 184 companies, including 63 of the Fortune 100, participated in CECP's Corporate Giving Standard (CGS) survey on 2010 contributions. The survey was conducted under CECP's Corporate Giving Standard (CGS) philanthropy measurement initiative that enables giving professionals to report on their corporate giving. The CGS is a unique industry tool that provides immediate, on-demand reporting and benchmarking while preserving essential anonymity for individual company data.

For the 2011 survey on 2010 giving, CECP once again included questions on corporate giving to the developing world specifically for the *Index*. CECP received a total of 40 responses from U.S. companies to these questions, with 33 corporations reporting donations to the developing world. Of the 33 companies that reported giving, four were pharmaceutical companies that reported direct cash giving of \$64,384,487. The remaining 29 non-pharmaceutical companies reported \$56,496,987 in direct cash giving, \$58,961,812 in giving through corporate foundations, and \$93,982,304 in in-kind giving. Because foundation giving is included in the survey by the Foundation Center, only direct cash and in-kind giving from non-pharmaceutical companies is included from the CECP survey. Adding

\$7,887,500 in direct cash from the pharmaceutical companies, \$56,496,987 in direct cash from non-pharmaceutical companies, and \$93,982,304 in in-kind from non-pharmaceutical companies amounted to \$158,276,791 in giving from CECP members to developing countries.

The Foundation Center through its survey of corporate foundations found that corporate foundations gave \$453,899,000 internationally. Based on the Foundation Center's calculations, an estimated 57.1% or \$259,183,000 of this went to developing countries specifically.

Private and voluntary organizations with a tax year ending 12/2010 filed the "new" IRS Form 990, which allowed the CNP to base estimates on the amount of "In-Kind Drugs and Medical Supplies" reported in Schedule M, Line 20 to be \$4,868,395,737 donated to them by corporations. Schedule F also is used to identify assistance given to developing nations and regions (excluding assistance to domestic and developed nations). Most PVO's report "Wholesale Value," "Market Value," "Comparable Sales," "Red Book," or other published sources for valuation method in Line 20 of Schedule M.

Added to the in-kind donations of pharmaceuticals and medical supplies for international relief and development are the overhead costs incurred mostly by corporations donating these in-kind contributions. Based on their members' consensus, PQMD estimates that transport, insurance and handling costs add 10%, or \$486,839,574 to donors' costs. Duties, taxes and tariffs accounted for 18% or \$876,311,233. Storage, distribution and in-country transport cost an additional 15% or \$730,259,361. When the aforementioned overhead costs are applied to the \$4,868,395,737, total in-kind donations by corporations for 2010 amount to \$6,967,805,904.

Finally, CGP staff conducted an extensive review of Fortune 500 companies not reporting through CECP. CGP reviewed annual reports, conducted Internet searches, and contacted some companies by phone, tallying a total of \$259,183,000 in cash and in-kind giving from the companies for which figures were available. To prevent double-counting with the medical donations figure and the PVO number, this figure does not include giving by companies to U.S.-based PVOs.

Together, \$158,276,791 from CECP research, \$259,183,000 from the Foundation Center, \$6,961,805,904 from in-kind corporate donation data to PVOs, and \$244,352,952 from CGP's own research amounted to a total of \$7.6 billion in U.S. corporate giving to the developing world.

#### Private and Voluntary Organizations

The CGP once again collaborated with the Urban Institute's Center on Nonprofits and Philanthropy (CNP) to determine the dollar value of international development assistance projects run by private and voluntary organizations (PVOs). Building on its earlier research on international PVOs, the CNP examined approximately 7,550 IRS Form 990 and 990-EZ information returns that PVOs filed with the Internal Revenue Service for Fiscal Year 2010. The CNP also used annual reports and information from the *USAID U.S. PVO Registry (also known as the USAID U.S. Voluntary Agencies list, or VolAg)* for organizations that did not file Form 990s (fiscal year 2009 data as of February, 2012 are available at <http://www.pvo.net/usaaid/index.html>). These were primarily religious organizations not required to file Form 990s and newly registered PVOs with international development activities.

The data set of 83,700 public charities newly registered with the IRS in 2010 was processed using an automated classification program to identify organizations with possible international development activities. Domestic organizations, such as community theaters and neighborhood associations, were excluded in the search, while environmental, human service, healthcare, and other types of organizations that could have both domestic and international activities were retained. To align the CNP data set with CGP specifications, the CNP removed all organizations that primarily supported activities in the United States or other developed countries. A final set of 1,934 new organizations showing possible international development activity was then manually reviewed, yielding 378 new organizations having international development program activity in 2010.

To differentiate international and domestic program activities, expenses and contributions, the CNP reviewed organizations' Form 990s, web sites, and annual reports, and the *VolAg* registry to determine the international to domestic ratio for the 5,850 largest organizations. Total program expenditures were identified by type of international development activity and region(s) served when available in Schedule F (Statement of Activities Outside the United States) of the Form 990 for the 4,200 PVOs filing Form 990 (tax years 2009/2010); and expenditures and activities per

region were estimated from Form 990-EZ program service descriptions, organization web sites, and annual reports for 1,600 others. The organizations reviewed by CNP accounted for approximately 95% of the total private contributions.

For the remaining smaller organizations, the CNP estimated that contributions for international activities represented 95-98% of total contributions (the precise percentage varied depending on the size of the organization). The CNP then applied these percentages to the total private contributions, including cash and in-kind contributions, of these smaller organizations to determine the total amount of PVO contributions for international activities.

To eliminate double-counting that would occur if foundation grants to PVOs were included in the private contributions reported by the PVOs in their 990s or the *VolAg*, the CNP prepared a list of the 275 largest PVOs and the Foundation Center matched this list with the grants received by the organizations and determined whether the grants were intended for developing countries. Then the total amount of international foundation grants to U.S.-based organizations for development purposes, approximately \$655 million, was subtracted from the estimate of private contributions for development and relief calculated from the 2010 PVO database total, approximately \$19.54 billion, resulting in a subtotal of almost \$18.9 billion.

To eliminate double-counting of corporate contributions of pharmaceuticals and other medical supplies or equipment that are accounted for in the Corporations section of the *Index*, CNP reviewed the *VolAg* data, IRS Form 990s, web sites and annual reports for all organizations reporting significant in-kind contributions of goods and that were active in health development and assistance work or that had major health-related activities. PVOs filing the revised Form 990 with Schedule M (Noncash Contributions) were examined for reporting large in-kind contributions of drugs and medical supplies (Line 20). These organizations reported a total of nearly \$4.87 billion in in-kind contributions of pharmaceuticals or other medical supplies. This amount was deducted from the private contribution subtotal of almost \$18.9 billion, resulting in \$14.0 billion in private contributions received by U.S. PVOs and spent for international development and relief.

## Volunteer Time

The *Index* estimate of the value of U.S. volunteer time for developing causes in 2010 is based on data taken from the Current Population Survey (CPS) and Independent Sector's estimated dollar value of volunteer time. The CPS is a monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. As with the estimate of the value of U.S. international volunteer time for 2009, CGP based the 2010 estimate on two categories of respondents to the volunteer supplement: those who volunteered outside of the United States and those who volunteered in the United States for organizations that support international development assistance.

The CPS tallies individual volunteer time spent abroad and, separately, the type of organization for which individuals volunteer. Thus, CGP was able to determine how many people volunteered abroad and how much time they spent doing so and how many people volunteered for U.S.-based international organizations and how much time they spent doing so. For the second category, the CPS does not provide a breakdown of where the time was spent (abroad or in the United States) when volunteering for an international organization. Because of this, survey respondents who volunteered for a U.S.-based international organization and said they volunteered abroad might be double counted. To avoid this, CGP staff excluded the individuals who volunteered for an international organization and who also volunteered abroad. This resulted in two distinct groups of volunteers: those who volunteered abroad and those who volunteered in the United States in support of international development causes.

CGP staff calculated the value of U.S. volunteers' time spent abroad by multiplying the 2010 estimated hourly value volunteer time by the estimate of total volunteer hours abroad as calculated from the 2010 volunteer supplement data, which asked respondents: "Considering all of the volunteer work you have done since September 1<sup>st</sup> of last year, about how much of it was done abroad: all or almost all; more than half; about half; less than half; or very little?" CGP staff assigned percentage values (95%, 75%, 50%, 25%, and 5%, respectively) to each of these categories to calculate the numbers of hours served overseas. The percentages were assigned to the average amount of time spent volunteering by the individuals who

went abroad. Based on Bureau of Labor statistics figures, Independent Sector estimated the dollar value of a volunteer's time to be \$21.36 per hour in 2010. CGP found over 840,000 volunteers who went abroad spending 120.1 million hours volunteering. Multiplying the 120.1 million U.S. hours contributed overseas by the hourly wage of \$21.36 brings the dollar value of U.S. volunteer hours contributed overseas to \$2.56 billion.

To calculate the value of time volunteered in support of international development assistance causes in the United States, CGP staff identified CPS respondents who served with one or more international organizations and totaled the hours they served across all international organizations, removing those who had volunteered overseas. There were over 375,352 people in this category volunteering an average of 146 hours per year in 2010. These figures multiplied together yielded a total of 54.8 million hours. Multiplying 54.8 by the hourly wage of \$21.36 brings the dollar value of U.S. volunteer hours contributed on U.S. soil for international development causes to \$1.17 billion.

By adding the economic value of U.S. volunteers' time dedicated to international causes at home to the economic value of those who volunteered abroad, CGP estimates the total value of U.S. volunteer time for international causes in 2010 to be \$3.7 billion. The estimate for 2010 is higher than the 2009 figure mainly due to an increase in the number of hours spent volunteering for an international organization in the U.S.

## Universities and Colleges

The CGP once again used data from the Institute for International Education's annual *Open Doors* survey and data from NAFSA: Association of International Educators, which gathers information on international students in the United States and on U.S. students abroad. *Open Doors* covers the 723,277 international students who studied in the United States in the 2010-2011 academic year, an increase from the 2009-2010 value of 690,923. The study includes cost breakdowns of their tuition and fees, living expenses, and their sources of support.

*Open Doors* compiles information on all international students coming to the U.S. from all regions of the world. For the 2012 *Index*, CGP again refined the regional analysis to deduct from the total number of students from each predominantly developing world region the number of students who came to the U.S. from the few developed countries within the region. CGP determined that 65% of international students came to the United States from the developing world by calculating the proportion of students from developing world countries relative to the worldwide total.

The analysis for *Open Doors* accounted for various cost categories of international students in the United States to produce a total for all expenses for all international students in the United States in 2010-2011 of \$27.6 billion. Among the sources of these funds were personal and family contributions, home governments, foreign private sponsors, international organizations, U.S. sources, and employment. According to NAFSA, the proportion of this \$27.6 billion total that came from U.S. sources was \$7.70 billion. According to *Open Doors*, the U.S. government was the primary source of funding for 0.6% of international students, which yields a contribution of \$46,200,000. Subtracting this value of U.S. government support from \$7.70 billion yields \$7.65 billion in support from U.S. sources other than the U.S. government. Multiplying this figure by the 65% that represents the portion of students from the developing world yields a total of \$4.94 billion for contributions to students from the developing world. While we removed the number of students whose primary source of funding is the U.S. government, the remaining students' funds came from U.S. private sponsors and host university or college funds. The IIE does not provide information on what portion of the university/college funding comes from the U.S. government.

However, the IIE speculates that a large portion of the doctorate students receive funding from U.S. government sources such as the National Science Foundation or the National Institute of Health. To be conservative, CGP found the ratio of all international students in the U.S. who are in non-doctoral programs, which in 2010 amounted to 38%, and applied this ratio to the \$4.94 billion total for non-governmental U.S. funding to students from developing nations. This yielded a final estimate of \$1.9 billion. Thus the final estimate only includes U.S. private funding for non-doctoral students studying in the U.S. from developing countries.

The IIE's methodology for the survey includes a country classification system that organizes places of origin into regional groupings based on the U.S. Department of State's definition of world regions and states. The survey defines an international student as "an individual who is enrolled for



courses at a higher education institution in the United States on a temporary visa." The survey pool consists of 2,881 regionally accredited U.S. institutions and is updated and refreshed regularly using the Integrated Postsecondary Education Data System (IPEDS) (produced by the U.S. Department of Education) and the U.S. Department of Homeland Security's SEVIS (Student and Exchange Visitor Information System). The overall institutional response rate for 2010-2011 was 65%.

## Religious Organizations

The Center for Global Prosperity (CGP) has continued its groundbreaking work on U.S. giving for international relief and development by U.S. congregations with a survey for *Index* 2011 measuring giving in 2009. This year, CGP partnered with the Baylor University Institute for Studies of Religion, which supported the survey. As in the 2010 *Index*, the Urban Institute's National Center on Charitable Statistics (NCCS) teamed up with the Social and Economic Sciences Research Center (SESRC) at Washington State University to conduct a national survey on the scope and magnitude of congregational support for international relief and development.

The Congregational Survey consisted of all religious congregations in the United States. Urban Institute used the American Church List to select a stratified random sample to ensure congregations of different sizes, denominations, and geographic areas were included in the study. Churches with larger memberships were given a higher probability of selection. Each sampled congregation was asked about their overseas donations for relief and development in 2009. The final questionnaire was designed to be administered either by mail, by web, or by phone and consisted of four sections; 1) U.S.-Based Organizations, 2) Overseas-Based Organizations, Ministries, & Long-Term Missions, 3) Short-Term Missions, and 4) Organization Background.

The sample size of the congregation survey was 885. The response rate was 44%, which was calculated by including all completed and partially completed questionnaires and followed the guidelines from AAPOR (American Association of Public Opinion Research) on how to treat ineligible organizations, such as congregations with disconnected phone numbers. Since we are able to use the 2009 survey information for congregations that participated in 2009, but did not participate in 2010, the effective 2010 response rate is 71%. That is we are using information collected from 71% of the congregations sampled in 2010.

A hot deck imputation procedure was used for partially completed questionnaires and surveys that had missing information on total dollar amounts. In a hot deck imputation, the value reported by a respondent for a particular question is given or donated to a "similar" organization whose respondent failed to respond to that question. The hot deck approach replaces missing data with plausible values, which is why it is the most common method used to assign values for missing responses in organizational surveys.

Results were weighted to adjust for nonresponse, disproportionate sampling by size, and the estimated 328,000 congregations in the United States, a number recognized by scholars in the field to be in the middle range of estimates. The survey focused exclusively on international relief and development. Support for evangelism, church planting, discipleship, and street evangelism was explicitly removed from the totals for overseas-based organizations and missions.

The survey determined that 1) an estimated 222,564 congregations gave a total of approximately \$6.3 billion to U.S.-based development and relief organizations; 2) an estimated 86,510 congregations contributed a total of \$3.6 billion directly to programs in foreign countries including congregations that supported longer term mission trips for relief and development; and 3) an estimated 110,389 congregations financially supported short-term mission trips to foreign countries by providing \$1.2 billion in support including participant contributions. The \$6.3 billion given to U.S.-based development and relief organizations was excluded from our estimate of religious giving since we included giving to these organizations in our numbers for PVOs.

The congregation survey data comprises all U.S. religious denominations. Combined with data from the Church of Jesus Christ of Latter-Day Saints and the Billy Graham Center at Wheaton College on giving by Protestant mission agencies (denominational boards, nondenominational societies and other organizations involved in overseas development assistance), the *Index* continues to provide a unique look at overall religious giving by U.S. religious institutions.

The Church of Jesus Christ of Latter Day Saints (LDS) shared with the

CGP its data on humanitarian assistance for 2009. Church congregations gave a total of \$61.3 million dollars, which included both cash and in-kind contributions. Since no LDS congregations were included in the Urban Institute congregation survey results, the LDS total was added separately.

The Billy Graham Center at Wheaton College's most recently published *Mission Handbook* is a study of giving to 700 U.S. mission agencies (Protestant religious organizations engaged in missions overseas) and was based on data from 2008. The Billy Graham Center reported a total of \$5.7 billion in revenue for mission agencies from grants, individual giving, bequests, and other sources. The figure includes contributions by a number of largely nondenominational nonprofit organizations also represented in the Index's PVO number, determined by NCCS. To account for the overlap, NCCS matched its database with the Graham Center's 2009-2011 Mission Handbook's list of organizations to determine that the overlapping organizations accounted for \$3.41 billion of the mission organizations' revenues. Subtracting this amount from the Graham Center's total of \$5.7 billion provides a total of \$2.29 billion in unique giving by religious organizations included in the Graham Center study.

Due to data limitations, it is not possible to completely disaggregate evangelism activities from relief and development activities in the Billy Graham Center data. For this reason, the \$2.29 billion might represent an overestimation; however, the Urban Institute's Congregational Survey and data from the LDS, which make up the majority of our religious giving number, includes only funds spent strictly on relief and development. The private giving from the Urban Institute's congregation survey (\$4.8 billion), the Billy Graham Center (\$2.29 billion) and LDS (\$61.3 million) figures result in a total of \$7.15 billion in religious giving.

## International Philanthropy Outside the United States

### Denmark

To obtain private giving estimates for Denmark, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Danish international giving in 2010 in two areas: giving by international development PVOs and corporate giving.

The estimate for PVO private giving is based on data from Projekttrådgivningen, an umbrella body for Danish international development PVOs, and data from the Danish Ministry of Foreign Affairs. Using both these sources, it was possible to identify ten Danish PVOs that account for more than 70% of all private philanthropy to the developing world that is channeled through PVOs in Denmark. The remaining 25-28% is distributed between some 50 organizations. By analyzing each annual report from the ten PVOs and through follow-up contact, it was established that they gave \$135.6 million to the developing world.

Acquiring an estimate of what Danish corporations gave to the developing world in 2008 was difficult because Denmark has few large multinational corporations. The corporate giving figure for 2010 is based on what one Danish multinational gave to the developing world. This amounted to \$11.5 million.

Together these categories total \$147.1 million in Danish private giving to the developing world. The increase in private giving from 2008 to 2010 is largely due to an increase in contributions from Danish PVOs.

### Finland

To obtain private giving estimates for Finland, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Finnish international giving in 2010 in two areas: giving by international development PVOs and corporate giving.

Approximately 80% of private philanthropy to the developing world channeled through Finnish PVOs is accounted for by the 11 largest PVOs. Having identified these organizations through the Finnish Ministry of Foreign Affairs, each organization's annual report was also analyzed and follow-up contact was made. Private income for these PVOs amounted to \$52.0 million in 2010. Additionally, Stein Brothers AB contacted the Service Centre for Development Cooperation (KEPA, [www.kepa.fi](http://www.kepa.fi)), a service base for Finnish PVOs interested in development work and global issues, to obtain additional information on 2010 PVO self-financing for projects done in cooperation with the Ministry of Foreign Affairs of Finland. According to KEPA, the total amount of money that Finnish PVOs contributed on their own was \$16.0 million in 2010.



Corporate giving data was collected by analyzing annual reports of the largest Finnish transnational corporations and, when necessary followed up with personal contacts. The relevant corporate philanthropic contributions were \$4.0 million. Together these categories total \$72.0 million in Finnish private giving to the developing world.

## France

To obtain our private giving estimate for France, the CGP was able to obtain an update on French individual giving to developing countries. Because 2008 data on French corporate giving was not available, CGP used data from 2007. Thus French giving to international development consisted of two sources: corporate giving and individual giving.

Corporate giving data were taken from a corporate giving survey by L'Association pour le Développement du Mécénat Industriel et Commercial, a French corporate sponsorship organization, and the market research firm CSA. The data were based on a sample of 750 French corporations of 20 or more employees. An estimated 15% of total French corporate giving was internationally oriented. Using a 2007 conversion rate of 0.74625 published by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars, this amounted to €375 million or \$502.2 million.

Studies by the Centre d'Etudes et de Recherches sur la Philanthropie, a Paris based think tank that conducts research on French philanthropy, show that bequests from individuals rose to €500 million in 2007. Five percent, or €25 million, of this went to international charities. Using the above 2007 conversion rate this amounted to \$33.5 million.

To estimate individual giving, CGP used data commissioned by Charistar, an Amsterdam based advisory agency with a focus on non-profit organizations. Dr. Wiepking from the VU University Amsterdam Department of Philanthropy designed the questionnaire and supervised the fieldwork, a household survey of French giving, which was conducted by TNS (tnsglobal.com), an international global data collection agency. One of the questions on the survey asked, "What is the total amount that your household donated in 2008 to charitable organizations active in the field of international assistance?" Survey results and data analysis found that 18.9% of French households gave to international assistance with an average donation of €114.0 or \$161.4, using a 2008 conversion rate of 0.706 published by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars. In total, French giving to international assistance organizations amounted to €330.8 million or \$468.6 million in 2008.

Together these three categories total \$1.0 billion in French private giving to the developing world. This figure contains the most recent 2007 data on corporations and bequests, and the most recent 2008 data on individual giving in France.

## Italy

To obtain our private giving estimate for Italy, the CGP partnered with Istituto per la Ricerca Sociale (IRS), an independent, non-profit research organization based in Italy. IRS has been involved in research on a variety of social issues for over 30 years. To estimate the value of private contributions to international development, IRS collected giving data from certified PVOs and banking foundations.

According to Italian law certified Italian PVOs can obtain approval for the management of International Aid by the Ministry of Foreign Affairs. In order to obtain this certification the institution has to have a mission aimed at "international cooperation for developing countries" and is responsible for assigning all collected funds to international activities. IRS identified these PVOs from the "Report on Social Economy" produced by Istituto Nazionale di Statistica and Consiglio Nazionale dell'Economia e del Lavoro. IRS identified 241 PVOs that work in international aid in 2008. The total funding to these PVOs amounted to €1,056,077,000 or \$1,495,860,000 of which €647.8 million or \$918 million came from the public sector, while funding from private sources amounted to 38.7%. In total, the IRS estimates that private contributions to these PVOs amounted to €409.0 million or \$579.3 million.

Italian banking foundations stem from a long tradition of Italian savings banks playing an active role in socially responsible activities. To obtain the value that banking foundations contributed to international development in 2008, IRS contacted the Banking Foundations Association (ACRI) and analyzed its annual reports. IRS found that in 2008 these foundations contributed a total of €1,277.0 million or \$1,809.0 million in donations to all sectors. Based on IRS assessment, an estimated €2.7 million or

\$3.8 million of these donations was transferred to developing countries directly. These funds do not include money transferred to Italian PVOs.

Together these categories total €411.7 million. Using the conversion rate of 0.706 published by the Financial Management Service of the United States Department of the Treasury to convert Euro to U.S. dollars provided an estimate of \$583.1 million in Italian private giving to the developing world.

## Japan

Japanese private giving to developing countries was collected by CSO Network Japan (CSOJN) in cooperation with Osaka University with reference to the methodologies developed for the *Index* by the CGP. This data collection was based on the use of publicly available data. Data was collected data for foundations, nongovernmental organizations (NGOs), volunteer time, and corporate giving.

For foundations, data was obtained with the cooperation of The Japan Foundation Center, for the fiscal year 2009 data from the Database of Grant-making Organizations concerning funding provided for overseas activities and scholarships provided to foreigners. This data covered a total of 1,296 organizations in Japan. Based on the data obtained from the center, the grantmaking activities of the various organizations were classified as research grants or project grants; lists of the number and amounts of scholarships provided to foreigners were also prepared. This data was further supplemented by data for large-scale organizations not appearing in the lists (such as the Toyota Foundation and the Uehara Memorial Foundation). Grants and scholarships for non-developing countries were excluded, based on the OECD-issued "DAC List of ODA Recipients, Effective for reporting on 2009 and 2010 flows." In order to avoid double-counting of governmental funding, an additional calculation was made to exclude the proportion of overall funding for overseas projects which had been received in the form of public subsidies. Government-subsidized funding in the form of grants from the Ministry of Foreign Affairs accounted for approximately 80% of the revenues of Japan Platform, an organization specializing in international emergency relief activities; in this case, therefore, only approximately 20% of their total funding was considered to be expenses for overseas projects. The total private funds from Japanese foundations going to international causes in 2009 amounted to \$60 million.

Figures related to NGOs were compiled from data available in the online "International Cooperation NGO Directory" of the Japan NGO Center for International Cooperation (JANIC), which provides a compilation of reports of voluntary project activities conducted by private NGO and nonprofit organizations throughout Japan that are active in development cooperation activities. First, the overseas project expenditures (including personnel expenses) of each organization were calculated; when such information was not provided in the directory for a given organization, calculations were made based on the figures available on organizational web sites. Most organizations provided reports of their project expenditures for fiscal year 2009. In order to avoid double-counting of public funding, for those organizations having overseas project expenditures of 10 million JPY or more, a calculation was made of their total funding after excluding the proportion comprised by public subsidies and contracts. Because there were many earnings and expenditure statements that did not distinguish public subsidies and contracts from private sources, five different patterns for calculating the amounts of overseas expenditures were identified: (1) amounts for which subsidies and contracts were not excluded; (2) amounts for which only the portion clearly identifiable as public subsidies was excluded; (3) amounts for which the portion of subsidies and contracts was excluded, except for that portion clearly identifiable as private funding; (4) amounts for which only that which was clearly identifiable as public subsidies and contracts was excluded; and (5) amounts for which the proportion of grants, subsidies and contracts was excluded, except for that portion clearly identifiable as private grants and contracts. Excluding public funding in case (2), the total private funds from Japanese NGOs going to international causes amounted to \$460 million.

For data regarding corporations, the results of the "Corporate Philanthropy Activity Report" for fiscal year 2009 produced by the Japan Business Federation (*Nippon Keidanren*) was used. This is a survey of the activities of its Committee on Corporate Philanthropy and corporate members of the philanthropic One-Percent Club. In order to clarify the CSR activities of its member companies, since 1991 Keidanren has conducted an annual survey of the CSR activities that corporations carried out during the previous fiscal year. For the fiscal year 2009 survey, questionnaires were sent to

1,306 companies, including the members of the One-Percent Club as well as other Keidanren member companies and responses were obtained from 367 companies. The total CSR expenditures reported covered all donations (including financial grants, as well as the total monetary value of in-kind contributions including the provision of goods, access to facilities, and activities by dispatched employees), as well as expenses for independently conducted programs and expenditures related to assistance for areas experiencing disasters.

Overall expenditures for CSR activities by the 348 companies for which responses were obtained were 153.3 billion JPY. Of this, expenditures in the fields of international exchange and cooperation accounted for 3%, for a total of 4.426 billion JPY or \$50 million. However, because activities undertaken domestically in Japan are included within the totals for the international exchange field, and because some funding also flows to developing countries within other fields, such as environment and disaster assistance, this figure should be used for general reference only. Therefore, this figure was not included in the table of Japanese global philanthropy.

The report "Giving Japan 2010" issued by the Japanese Fundraising Association calculated the economic value of volunteer activities related to international cooperation for fiscal year 2009. According to this report, the economic value of all activities by Japanese volunteers reached 10,500.3 billion JPY; within this, activities in the fields of international exchange and cooperation accounted for 2.5%, equivalent to some 260.5 billion JPY or \$2.79 billion. This figure was arrived at by multiplying the total hours of volunteering time in these fields (125,850,000 hours) by the average wage (2,070 JPY) received for the occupation and industry that corresponds to the international exchange and cooperation fields (namely, employees of political, economic and cultural organizations) as found in the "Basic Survey on Wage Structure" issued by the Ministry of Health, Labour and Welfare. However, because it is not possible to isolate the international cooperation and exchange activities that are related solely to developing countries, this amount should be considered as an upper limit. Together, foundations, NGOs, and volunteer time amounted to \$3.31 billion in Japanese giving in 2009.

### Luxembourg

The private giving estimate for Luxembourg is based on research performed by CGP staff. We researched 62 of the largest members of Le Cercle de Coopération des ONG de Développement, the only international development PVO umbrella group in Luxembourg. By analyzing their annual reports and through direct contact with them, we were able to establish private giving numbers for 13 of the organizations.

Their private income for 2010 totaled €22,199,140. Using the conversion rate of 0.7595 published by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars provided an estimate of \$29.2 million in private giving to the developing world from Luxembourg.

### The Netherlands

The private giving estimate for the Netherlands is based on the 2011 edition of the biannual report *Geven in Nederland* produced by the Vrije Universiteit Amsterdam, which provides data for 2009. The report includes giving in the category of "international aid" from five sources: households, bequests, foundations, corporations and lotteries. According to the report, households gave €284 million, or \$408.6 million to international aid causes in cash and in-kind donations; €51 million, or \$73.4 million came from bequests; €54 million, or \$77.7 million, came from foundations; €77 million, or \$110.8 million, came from corporate gifts and sponsorship; and €106 million, or \$152.5 million, came from lotteries. Together these categories total €572 million. Using a 2009 conversion rate of 0.6950 provided by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars provided an estimate of \$823 million in Dutch private giving to the developing world.

### New Zealand

The private giving number for New Zealand is based on data from the Council for International Development (CID), an umbrella body for New Zealand's major international development PVOs.

According to CID's 2011 annual report, 2010 private income for its members came to NZ\$130.7 million, or \$91.6 million using the 2010 conversion rate of 1.43. Of this amount, NZ\$113.8 million or \$79.7 million of donations came from the public and NZ\$16.9 million or \$11.9 million came from

endowments, grants from foundations, investment income, private sector organizations and the sale of goods.

### Norway

To obtain private giving estimates for Norway, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Norwegian international giving in 2010 by measuring giving by international development PVOs.

To estimate giving by PVOs, Stein contacted the Norwegian Agency for Development Cooperation (NORAD) to identify the top 10 largest Norwegian PVOs. Stein reviewed the annual reports of each PVO and when necessary contacted the organization directly. By analyzing data, he estimated that Norwegian PVOs gave \$250.8 million in private giving to the developing world.

While Norwegian corporations also give to philanthropic activities in the developing world, they do so mostly by giving to international PVOs. Thus in order to avoid double counting, it can be assumed that any Norwegian corporate contribution is included in the PVO figure. Therefore, total Norwegian giving amounted to \$250.8 million.

### Portugal

The private giving estimate for Portugal is based on research performed by CGP staff. Using Plataforma Portuguesa das ONGD, the largest Portuguese international development organization umbrella groups, as a resource, CGP researched 55 of the largest international development PVOs and foundations. By analyzing their annual reports and through direct contact with the organizations, CGP was able to establish private giving numbers to the developing world for 12 of the organizations. Their private income for 2008 totaled €6,387,186. Using the conversion rate of 0.706 published by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars provided an estimate of \$9.0 million in Portuguese private giving to the developing world.

### Spain

Private giving estimates for Spain are based on a yearly publication by the Coordinadora de ONG para el Desarrollo, a Spanish organization comprised of 108 organizations. For the 2009 report, containing data from 2008, data was collected from 106 member organizations. Private income for these organizations came from five main sources: €107 million, or \$137.9 million, in regular donations and fees; €93.4 million, or \$120.4 million, in one-time donations; €38 million, or \$49.0 million, from private enterprises; €19 million, or \$24.5 million, from the sale of fair trade products and merchandising; and €9.8 million, or \$12.6 million, from other private funds. Together these sources total €267.2 million. Using a 2008 conversion rate of 0.7760 provided by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars provided an estimate of \$344.4 million in Spanish private giving to the developing world.

### Sweden

To obtain private giving estimates for Sweden, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Swedish international giving in 2010 in two areas: giving by international development PVOs and foundations and corporate giving.

To estimate giving by PVOs and foundations, Stein used data from the Swedish International Development Cooperation Agency and from the Swedish Committee on Fundraising Organizations, which holds comprehensive data on all PVOs and foundations based in Sweden. By analyzing data from both this source and by using individual PVO and foundation annual reports, he estimated that Swedish PVOs and foundations gave \$193.2 million.

Corporate giving data was collected by selecting the 50 largest Swedish exporters. Together these companies account for over two thirds of total Swedish exports. Furthermore this selected group includes most large well known Swedish multinationals.

We studied the annual reports of each one. That information provided us with enough knowledge to know which companies might as well not be involved in any philanthropy in the developing world. The figure calculated was 227.2 million SEK or \$22.2 million to the developing world. None of this money was channeled through Swedish PVOs or foundations. This figure does not count in-kind giving, technical assistance and volunteering. Together these categories total \$215.4 million in Swedish private

giving to the developing world.

## Switzerland

To obtain private giving estimates for Switzerland, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Swiss international giving in 2010 in two areas: giving by international development PVOs and corporate giving.

There are over 300 registered PVOs in Switzerland. To estimate private giving by PVOs Stein used data from the Swiss Federal Department of Foreign Affairs, which conducts an annual report survey of 339 Swiss PVOs. Stein Brothers AB also analyzed the annual reports of additional PVOs not included in the survey. By analyzing data from both these sources and by using individual PVO and foundation annual reports, he estimated that Swiss PVOs and foundations gave \$431.4 million.

Corporate giving data was collected by contacting and analyzing data from the top 20 Swiss corporations. Companies that replied collectively gave \$115.2 million to the developing world. None of this money was channeled through Swiss PVOs. This figure does not count in-kind giving, technical assistance and volunteering. Together these categories total \$546.6 million in Swiss private giving to the developing world.

## United Kingdom

To obtain our private giving estimate for the United Kingdom for 2010, the CGP partnered with Charities Aid Foundation (CAF). In previous years CGP worked with GuideStar to collect private giving data. However, GuideStar recently changed ownership and is no longer active in this research.

CAF identified all U.K. charities that work in the area of "overseas aid/ famine relief," one of 17 categories by which charities define their activities when they register with the U.K. Charity Commission. This subset was further narrowed by removing charities that are not working in countries classified by the OECD as developing countries or working in regions of the world known to include a high proportion of developed countries. For the remaining charities identified as working in overseas aid/famine relief in developing countries, CAF was able to obtain information on voluntary income of charities which had a total income of more than £500,000 in the year of the return. The components of this income are: gifts and donations received including legacies; any tax reclaimed on amounts received under gift aid; grants that provide core funding or are of a general nature; membership subscriptions and sponsorships where these are, in effect, donations; and gifts in kind and donated services and facilities.

Charities with an annual income of less than £10,000 (\$19,773) are not required to submit detailed accounts and therefore no information is available from these charities about the proportion of income that comes from private sources. However, the total income of these charities is less than half a percent of the population of charities analyzed so their exclusion has little effect on the overall private giving number.

Total private income for U.K. charities working in overseas aid/famine relief amounted to £2,741,022,467 in 2010 raised by 333 charities. Using a conversion rate of 0.648 reported by the Financial Management Service of the United States Department of the Treasury to convert British pounds to U.S. dollars provided an estimate of \$4.2 billion in U.K. private giving to the developing world. The value obtained by CAF is less than the 2008 value reported and delivered by GuideStar. This could be a combination of methodological and actual differences. The number of charities assessed by CAF is significantly less than the number included by GuideStar in 2008 because CAF is limited solely to charities that are included in the Charity Commission for England and Wales.

## Global Remittances

The World Bank's updated 2010 bilateral matrix, which is the only comprehensive and comparable source of all bilateral remittance flows, was used to calculate remittance transfers from OECD donor countries to DAC recipient countries in 2010. Dilip Ratha and William Shaw of the World Bank created the original bilateral matrix in 2006 by allocating remittances received by each developing country among the countries of destination of its migrant nationals (for a complete discussion of how the matrix was compiled, including the formulas used to calculate remittances, see Dilip Ratha and William Shaw, *South-South Migration and Remittances*, World Bank Working Paper No. 102, 2007, Appendix A and Appendix B). An

updated matrix with 2010 figures is available for download at the World Bank web site: <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTD-CEXTDECPROSPECTS/0,,contentMDK:22803131~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html>.

The 2010 matrix data ("Bilateral remittance estimates using migrant stocks, destination country incomes, and source country incomes.") was used to estimate the total remittances that were transferred from each DAC donor country to all of the DAC recipient countries. Countries that were not classified as developing by the OECD were excluded from the total calculations.

Our estimate is likely to be conservative due to limitations in data. Bilateral matrix data were not available for a number of DAC recipient countries: Afghanistan, Angola, Barbados, Bhutan, Burundi, Central African Republic, Chad, DRC, Cuba, Djibouti, Equatorial Guinea, Eritrea, Iraq, Liberia, Marshall Islands, Mayotte, Micronesia, Myanmar, Oman, Palau, Somalia, Timor-Leste, Turkmenistan, Uzbekistan, Vanuatu, Zimbabwe.

## ACKNOWLEDGEMENTS

*Index 2012* benefitted from the research and counsel of a number of individuals and organizations representing the highest standards. These organizations conducted research, provided data, and assisted in designing methodologies.

The Foundation Center, which conducts research on foundation trends, was our partner on foundation giving. The Foundation Center conducts research on foundation trends. The Center worked collaboratively with the Urban Institute to ensure accurate information about PVO contributions. We are grateful to Steven Lawrence for providing comprehensive data and for his cooperation with the Urban Institute.

We are grateful for the generous cooperation of the Committee Encouraging Corporate Philanthropy (CECP), the only international forum on corporate philanthropy. CECP's director, Margaret Coady, designed a supplemental survey on CECP members' giving to the developing world. We are also grateful for CECP Executive Director Charles Moore's support of the partnership and for Alison Rose for all her help in data discussions.

Our partner on giving by PVOs was the Urban Institute's Center for Nonprofits and Philanthropy (CNP). We are grateful for the research conducted by Tom Pollak, Timothy Triplett, Katie Roeger, and Jon Durnford. In addition to providing PVO data, they oversaw the religious giving survey and provided essential support in accounting for overlap in giving among the foundation, PVO, corporate, and religious organization sectors. We are also grateful to CNP Director, Elizabeth Boris for her support.

We thank the Institute of International Education (IIE) Research Manager Patricia Chow for her assistance in analyzing the data on international students in the U.S. contained in IIE's Open Doors. We are also grateful to IIE Executive Vice President Peggy Blumenthal for her continuing counsel. The CGP is thankful to the Baylor Institute for Studies of Religion for supporting the 2009 religious survey, specifically to Byron Johnson the Director of the Institute and to Buster Smith.

The CGP is grateful to Nathan Dietz at the Corporation for National and Community Service for guiding us through the Current Population Survey's volunteer supplement.

We would like to thank our international research partners for their help in researching data and trends on private giving outside the United States. With the help of Peter Stein, we were able to publish the private giving estimates of philanthropy to the developing world from Sweden, Norway, Denmark, Finland, and Switzerland. For our UK private giving research, we would like to thank Richard Harrison and Malcolm Smith at Charities Aid Foundation for their assistance in researching UK philanthropy. For our New Zealand private giving number we would like to thank Pedram Pirnia from the Council for International Development in New Zealand for providing us data. For the Netherlands, we thank Rene Bekkers for his research on *Giving in the Netherlands* study. For our Japan private giving number we would like to thank Professor Naoto Yamauchi from Osaka University and Kaori Kuroda from Civil Society Organizations Network Japan for their tremendous work on piloting the collection of philanthropy data for Japan.

Lastly, we would like to thank Dilip Ratha, lead economist, and Sankeet Mohapatra, economist, of the Migration and Remittance Team at the World Bank for their continued guidance on remittance trends.

# HUDSON INSTITUTE CENTER FOR GLOBAL PROSPERTY

## STAFF

Dr. Carol Adelman, *Director* (1)

Patricia Miller, *Editor* (2)

Jeremiah Norris, *Senior Fellow* (3)

Yulya Spantchak, *Research Fellow* (4)

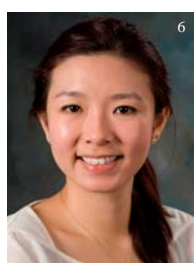


Kacie Marano, *Project Manager* (5)

Charlene Chan (6)

Elizabeth Eckard (7)

Laura Esposito (8)



Michael French (9)

Paul Gottlich (10)

Xuanzi Jia (11)

Thomas Vargas (12)



Annie Wang (13)



## PHOTO CREDITS

p. 4 Courtesy of the FEED Foundation

p. 18 Georgia Popplewell

p. 21 Courtesy of Western Union

p. 22 Courtesy of the FEED Foundation

p. 23 Courtesy of Pitch In For Baseball

p. 24 Courtesy of Mercy Corps

p. 25 Courtesy of Libras De Amor

p. 27 Courtesy of Walmart

Staff Photos Above:

Bruce Boyajian (1, 2, 3, 4, 5, 6, 9)

Kacie Marano (7, 8, 10, 11, 12, 13, )